PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY

"Regulating for Results"

REPORT ON PROCUREMENT AND DISPOSAL AUDIT FOR UGANDA CANCER INSTITUTE FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LTD	Limited
NOBEB	Notice of the Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFP	Request for Proposals
RFQ	Request for Quotation
SBD	Standard Bidding Document
UCI	Uganda Cancer Institute

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a Procurement and Disposal Audit of the Uganda Cancer Institute for the Financial Year 2024/2025 that covered 17 procurements and one disposal transactions (***Refer to Annex 2)*.** The overall objective of the audit was to assess and establish the degree of compliance of the Entity's procurement systems and processes with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines to assess the level of procurement performance over the audit period.

The Procurement and Disposal activities of the Uganda Cancer Institute (UCI) for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures, adherence to the procurement plan, timely appointment of the Contract Managers and proper management and handling of procured items.

However, the audit identified several control and performance weaknesses that require management attention. These included; insufficient cold chain storage, stalled high-value construction projects, failure to fully implement previous audit recommendations, delays in procurement processing, low bidder participation, non-compliance with reservation schemes for Special Interest Groups, irregular evaluation of bids, failure to retrieve Performance Securities and Performance Securing Declarations, provision of excessively long payment periods in contracts and delays in contract completion and delivery.

From the findings of the procurement and disposal audit exercise, the performance of the Uganda Cancer Institute for the Financial Year 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **22.8%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

Despite the satisfactory performance of the Entity, the following exceptions were noted from the Procurement and Disposal Audit:

1. Failure to fully implement previous audit recommendations for the FY 2023/2024 contrary to Section 10 (1) of the PPDA Act Cap. 205 where four out of seven were partially implemented. Failure to fully implement audit recommendations affects performance of the procurement and disposal function.

2. Insufficient cold chain storage facility. The audit noted that the Entity's core mandate involves the procurement of cancer medicines, and laboratory reagents that require storage under controlled temperature conditions to maintain their quality, efficacy, and safety. However, physical inspection revealed that the Entity currently operates only one cold chain storage facility, comprising a single 40-foot refrigerated container, which is inadequate to accommodate the volume of temperature-sensitive commodities required. Failure to provide adequate cold chain storage capacity may result in stock-outs of essential medicines and reagents, increased procurement costs arising from frequent small-volume purchases, and

potential deterioration of temperature-sensitive commodities, thereby affecting service delivery and patient outcomes.

3. Stalled High-Value Construction Projects. Whereas the Entity continues to experience acute space constraints for storage of equipment and medicines, office accommodation, hospital wards, and other operational needs, the audit noted the existence of high-value construction projects that remain stalled, redundant, or non-operational. These include the multi-purpose building, which has remained stalled and unused for over five years, and the 350 bed facility, which were expected to have been completed and operational by now. The continued delay and non-utilization of these projects undermine service delivery and raise significant value for money concerns, given the substantial public resources invested in them. Such delays are contrary to Section 51 of the PPDA Act Cap. 205.

4. Non-compliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities during the Financial Year contrary to Clauses 2.0 & 3.0 of the PPDA Guideline 11/2024. This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

5. The evaluation of bids for the procurement of two new vehicles valued at UGX 867,450,000 was conducted by individuals who had not been approved by the Contracts Committee, contrary to Section 39(2) of the PPDA Act, Cap. 205. Whereas the Contracts Committee approved the membership of the Evaluation Committee comprising Mr. Fred Obala, Ms. Amuge Catherine, Mr. Musamali Robert, Mr. Komakech Alfred, and Ms. Patricia Nakamya, the evaluation was instead conducted by Mr. Lopuka Moses and Mr. Owino Solomon, who were not part of the approved Committee. Consequently, Mr. Fred Obala and Mr. Komakech Alfred were excluded from bid evaluation without any formal approval of their replacement by the Contracts Committee. The participation of unapproved individuals in the bid evaluation process compromises the legality, integrity, and credibility of the procurement proceedings.

6. Deviation from the Solicitor General's guidance. The audit noted that during the review of the contract for the procurement of the Hospital Information Management System valued at UGX 1,199,313,451, the Solicitor General advised that Clause SCC (GCC) 36.1 (Performance Security) of the Special Conditions of Contract should require the provider to furnish a performance security equivalent to 5% of the contract price. However, contrary to this guidance, the Entity persisted with Clause GCC 36.1 to require a Performance Securing Declaration instead of the recommended performance security. The omission of the prescribed performance security weakens the Entity's contractual safeguards and may limit its ability to recover losses arising from contractor default, thereby exposing public funds to undue risk and undermining effective contract management.

7. Delays at different stages of the procurement process by an average of 36 working days. The Authority noted several delays at different stages of the procurement process in six sampled procurements worth UGX 4,424,712,215. These delays ranged from delayed approval of requisitions, delayed submissions to the Contracts Committee by the Procurement and Disposal Unit, delayed bid evaluation, delayed submission of contracts to the Solicitor General and the delayed contract signing after Solicitor General approval. Such delays are contrary to Section 51 of the PPDA Act Cap. 205 and impact on service delivery.

8. Provision of excessively long payment periods in contracts: The audit noted that the Entity provided for payment periods of 90 days and above under GCC 16.3 of the Special Conditions of Contract in most of the contracts reviewed. The Entity attributed these excessively long payment periods to the quarterly release of funds by the Ministry of Finance, Planning and Economic Development, which releases are not sufficient to fully pay service providers. Excessively long payment periods constrain service providers' cash flow and cause failure to execute contracts.

9. Delayed delivery of items by an average of seven months. The audit noted delayed delivery of procured items in three procurements worth UGX 1,750,923,800. Delayed delivery of supplies by providers leads to delayed service delivery to the intended beneficiaries and is contrary to Section 51 of the PPDA Act Cap. 205.

10. Failure to obtain Performance Securities and Performance Securing Declarations. The audit noted that the Entity did not obtain performance securities and performance securing declarations from bidders in four procurements worth UGX 2,698,175,610 contrary to GCC 19.1 of the Special Conditions of the Contract for the same procurements. Failure to obtain performance securities and performance securing declarations exposed the Entity to significant contractual and financial risks. In the event of non-performance, delayed performance, or breach of contract by the suppliers, the Entity would have limited recourse to recover losses, enforce contractual obligations, or secure compensation for damages incurred.

In light of the above, the Authority recommends that:

1. The Accounting Officer who has the overall responsibility for the execution of the procurement function should:

   i. Should establish an audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205
   ii. Prioritize the expansion of its cold chain storage infrastructure to ensure adequate capacity for the storage of temperature-sensitive medicines, vaccines, and laboratory reagents. In the event that there are financial constraints, he or she should liaise with the Ministry of Finance, Planning and Economic Development for appropriate funding.
   iii. Strengthen project governance by enhancing supervision, conducting regular progress monitoring, and requiring periodic reporting on project status, risks, and mitigation measures. Where delays are attributable to contractors or other service providers, management should enforce contractual provisions, including the application of appropriate penalties and corrective actions. Furthermore, future projects should only commence after securing adequate funding, completing comprehensive feasibility studies, and establishing realistic implementation schedules to reduce the risk of project stalling, cost escalation, and failure to achieve intended objectives.
   iv. Adhere to the Solicitor General's guidance and recommendations during contract review and finalization prior to contract execution.
   v. Strengthen procurement cycle management by enforcing timeliness in requisition approval, evaluation, contract committee processing, Solicitor General submission and

contract execution to ensure that efficiency in the procurement process in accordance with Section 51 of the PPDA Act Cap. 205.

vi. Direct Contract Managers to obtain all outstanding Performance Securities and Performance Securing Declarations from Crown Health (U) Ltd, Microhaem Scientific and Medical Supplies Ltd, Surgimed Uganda and Medisell Uganda Ltd.Relatedly should strengthen monitoring controls to ensure their timely retrieval in accordance with GCC 19.1 of the Special Conditions of the Contract.

2. The Head, Procurement and Disposal Unit should:
   i) Develop a tracking mechanism to address delays in procurement at the various stages in accordance with Section 51 of the PPDA Act Cap. 205.

   ii) Enforce strict adherence to the approved Evaluation Committee in accordance with Section 39(2) of the PPDA Act Cap. 205.

   iii) Review and rationalize the payment terms provided in the Special Conditions of Contract to ensure that they are reasonable, fair, and aligned with the nature of the procurement and the Entity's cash flow projections, in accordance with Regulation 49(3) of the PPDA (Contracts) Regulations, 2023.

   iv) Identify eligible procurements during procurement planning, maintain a register of certified special interest group providers and monitor quarterly achievement of the mandatory 15% reservation target in accordance with Clauses 2.0 & 3.0 of the PPDA Guideline 11/2024.

3. Contract Managers should prepare contract implementation schedules, conduct monthly performance reviews and document all contract monitoring activities to facilitate timely intervention where delays are identified in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

The Uganda Cancer Institute should implement the recommended action plan on pages 19-21.

CHAPTER 1: INTRODUCTION

1.1 About the Entity

Uganda Cancer Institute is a public, specialized, tertiary care medical facility supervised by the Ministry of Health. The Institute is designated as East Africa's Centre of Excellence in Oncology. The facility's main focus is on research, training, consultation, prevention and cancer treatment in areas of Pediatrics, Oncology, Gynecology, Radiotherapy, surgery, pharmacy and recently venturing into bone marrow transplants.

Mission

Provision of state-of-the-art Cancer care and prevention by advancing knowledge, fostering the use of research.

Vision

To be an internationally recognized centre of excellence advancing comprehensive cancer management in Africa.

Core Values

Committed to Excellence, Diligence, Innovativeness, Hard work and professionalism.

Regional Cancer Centers

Uganda Cancer Institute (UCI) has established four Regional Centers to decentralize Cancer care in Uganda, namely:

a) Uganda Cancer Institute UCI Northern Uganda Regional Cancer Center (Gulu);
b) UCI Mbarara Regional Cancer Center (Western);
c) UCI Mbale Regional Cancer Center (Eastern); and
d) UCI Arua Regional Cancer Center (West Nile).

Additionally, the UCI has initiated a Rural Cancer Clinic in the Mayuge District and provides services through partnerships in Kampala, such as at Nsambya Hospital. The main facility remains on Mulago Hill in Kampala.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Uganda Cancer Institute that covered a representative sample of 17 procurements under Financial Year 2024/2025. The audit involved a review of the procurement structures, procurement processes, as well as contract performance following the provisions of PPDA Act, Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines and to assess the level of procurement performance over the audit period.

1.3 Main Objectives

The overall objective of the audit was to assess and establish the degree of compliance of the Entity's systems and processes with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines and to assess the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act Cap. 205 and PPDA 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 where applicable.

1.4 Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation on sample basis. The audit covered a representative sample that covered 17 procurements and one disposal transaction carried out in the Financial Year 2024/2025. The list of sampled transactions is contained in **Annex 2.** The sample was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports. The distribution of the transaction population and the sample is in Table 1 below:

Table 1: Analysis of Population Versus Sample

Method	Value (UGX)			Number		
	Population	**Sample**	**% by Value**	**Population**	**Sample**	**% by No.**
Open Domestic Bidding, Framework	5,100,793,300	27,072,993,823	530	7	10	143
Micro Procurement	0	0	0	0	0	0
RFQ/RFP	1,772,424,076	0	0	31	0	0
Restricted Bidding	793,782,000	5,364,542,000	672.8	2	2	100
Direct Procurement	14,999,347,859	37,485,403,876	998	8	5	63
Total	**22,666,347,235**	**69,922,939,699**	**308**	**48**	**17**	**35**

Note

The sample figures are higher than the population figures because the Entity did not report all procurements carried out in the monthly reports submitted to the Authority. The unreported procurements that were sampled were extracted from the Contracts Committee minutes.

1.5 Procurement and Disposal Audit Methodology

The audit commenced with an entry meeting on 16th March 2026. Records and documents for each sampled procurement and disposal transaction were examined and relevant evidence obtained to derive audit conclusions. This involved a review of the Entity's procurement planning, initiation, bidding, evaluation, contract placement and implementation.

During the exercise, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information. The Accounting Officer was debriefed on 28th May 2026.

Upon completion of the audit exercise, the Authority issued to the Entity a Management Letter on 5th June 2026 and the Entity responded to the same on 18th June 2026. An exit meeting was held on 18th June 2026.

Refer to the Action plan on pages 19-21 for the Authority's recommendations.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance of the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of the procurement process

2.1.1 Failure to fully implement the Procurement Plan

Section 60 of the PPDA Act Cap 205 provides that "*A Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and in particular shall integrate its procurement budget with its expenditure programme.*"

Whereas the Entity planned to carry out procurements worth UGX 25,184,684,678 in FY 2024/25, the audit noted that the Entity implemented procurement activities amounting to UGX 22,666,374,235 during the same period, representing 90% of the total planned procurement value. This resulted in an implementation variance of UGX 2,518,310,443 as shown in Table 2 below:

Table 2: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	25,184,684,678
Total procurement spend value inclusive of VAT (UGX)	22,666,374,235
Procurement plan implementation rate (%)	90%.
Implementation variance (UGX)	2,518,310,443

Implication
Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also delays the achievement of desired outcomes.

Management Response
Uganda Cancer Institute noted that the implementation variance of 10% translating to UGX 2,518,310,448 resulted from some procurements that were planned for but not implemented. These are consultancy services for Design Review and Construction Supervision for the Multipurpose building and Individual consultants under AfDB project. The delay in implementation came from delayed approval of external funding by Government of Uganda. These consultancies have however been concluded and contracts signed and are being implemented.

Authority's comment
The Authority noted the Entity's response in respect to the consultancy services for Design Review and Construction Supervision for the Multipurpose building and Individual consultants under AfDB project, however; the Entity should have updated its procurement plan by removing any planned for procurements that were not carried out within the Financial Year.

Recommendation
The Accounting Officer should institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collections. Any significant changes

should be formally approved and reflected in updated procurement plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.2 Failure to fully implement previous audit recommendations

Section 10(1)(a) of the PPDA Act Cap 205 states that: "*Where there is persistent breach of this Act or regulations made, or guidelines issued, under this Act, the Authority may- (a) direct the concerned procuring and disposing entity to take such corrective action, as may be necessary in the circumstances, to rectify the breach.*"

Whereas the Authority made seven recommendations in the previous audit report for the Financial Year 2023/2024, the audit noted that the Entity did not fully implement four recommendations (57%) as indicated in Table 3 below:

Table 3: Recommendations that were partially implemented by the Entity

No.	Recommended Action		Management Response
1.	The Head, Procurement and Disposal Unit should ensure that solicitation documents are clear and precise in order to enable bidders to submit responsive bids in accordance with Section 67 of the PPDA Act, Cap. 205.	Partially Implemented	*Efforts have been made to have this fully implemented during F/Y 25-26.*
2.	The Head, Procurement and Disposal Unit should ensure that the officials who participated in the irregular evaluation are not nominated as part of the Evaluation Committees for the period of at least three months as they are subjected to Capacity building	Partially Implemented	*Capacity building for some officers was done. As an Entity we have now planned to have capacity building of our officers done at least once a year and this started in F/Y 25-26*
3.	The Accounting Officer should continuously ensure that delays in procurement at various stages are addressed in order to achieve efficiency and effectiveness in the Entity's procurement process in accordance with Section 48 of the PPDA Act, Cap. 205.	Partially Implemented	*Capacity gap that existed in PDU was addressed.* *Contracts Committee meetings now sit every week. More technical staff especially in the Engineering Unit have been recruited and frameworks contracts for some critical procurements were concluded and contracts signed.* **Authority's comment** Whereas the Entity is

No.	Recommended Action		Management Response
			commended for undertaking the initiative to reduce delays, the Authority still noted persistent delays in the sampled procurements.
4.	The Accounting Officer should ensure timely payment providers in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.	Partially implemented	*This has been addressed however we still face challenges of inadequate budget for drugs and supplies which takes up most of our budget.*

Implication
Failure to fully implement audit recommendations affects performance of the procurement and disposal function.

Recommendation
The Entity's response is noted. However, the finding is maintained due to failure to fully implement the recommendations. The Accounting Officer should establish an audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.

2.1.3 Failure to reserve procurements for Special Interest Groups

PPDA Guideline No. 11 requires Procuring and Disposing Entities to reserve at least 15% of their annual procurement budget for Special Interest Groups (SIGs) and to ring-fence procurements valued under UGX 30,000,000 for award to the same category. The audit observed that the Entity did not comply with these requirements. Specifically, the Entity neither reserved 15% of its procurement budget for Special Interest Groups nor set aside procurements below UGX 30,000,000 for exclusive participation by these groups.

The audit attributed the none compliance to the Entity's lack of knowledge on how to reserve the procurements for the Special Interest Groups.

Implication
This non-compliance undermines Government Policy aimed at promoting participation of Special Interest Groups in public procurement, thereby limiting economic empowerment opportunities for youth, women, and persons with disabilities.

<u>Management Response</u>
The Entity took note of the above and has advertised to have its own prequalified list of Special Interest Groups in F/Y 25-26.

Authority's comment
The Authority acknowledges Management's response and notes the initiative to establish a prequalified list of Special Interest Groups (SIGs) in FY 2025/26.

Recommendation
The Head, Procurement and Disposal Unit should identify eligible procurements during procurement planning, maintain a register of certified special interest group providers and monitor quarterly achievement of the mandatory 15% reservation target.

2.1.4 Insufficient cold chain storage facility

The audit noted that the Entity's core mandate involves the procurement of cancer medicines, and laboratory reagents that require storage under controlled temperature conditions to maintain their quality, efficacy, and safety. However, physical inspection revealed that the Entity currently operates only one cold chain storage facility, comprising a single 40-foot refrigerated container, which is inadequate to accommodate the volume of temperature-sensitive commodities required.

Implication
As a result of the limited storage capacity, the Entity is constrained from procuring these commodities in bulk, thereby limiting its ability to benefit from economies of scale, maintain optimal stock levels, and effectively respond to demand fluctuations. The inadequate cold chain infrastructure also exposes the Entity to an increased risk of stock-outs and disruptions in service delivery.

Management Response
The storage space for drugs and supplies, including cold chain storage is being addressed in the construction of the multipurpose building which is expected to be completed by December 2027.

Recommendation
The Authority noted the Entity's response and recommends that Entity should prioritize the expansion of its cold chain storage infrastructure to ensure adequate capacity for the storage of temperature-sensitive medicines, vaccines, and laboratory reagents. In the event that there are financial constraints, the Accounting Officer should liaise with the Ministry of Finance, Planning and Economic Development for appropriate funding.

2.1.5 Stalled High-Value Construction Projects

Whereas the Entity continues to experience acute space constraints for storage of equipment and medicines, office accommodation, hospital wards, and other operational needs, the audit noted the existence of high-value construction projects that remain stalled, redundant, or non-operational. These include the multi-purpose building, which has remained stalled and unused for over five years, and the 350 bed facility, which were expected to have been completed and operational by now.

Implication
The continued delay and non-utilization of these projects undermine service delivery and raise significant value for money concerns, given the substantial public resources invested in them.

Management Response

The contract for multipurpose building was signed with ROKO construction Co. Ltd on 28th November 2018. Works slowed down due to financial stress by the contractor who eventually failed abandoned the site. Later ROKO assigned the works to his main subcontractor, SMS Construction Ltd to complete the contracted works. Due to the delays by ROKO there was price escalation in the building materials and therefore the funds available at that time could not fully complete the works. AfDB took a mission to assess the remaining works on the building and it has provided additional funding to complete the remaining works. This additional funding became effective on 10th November, 2025. UCI has procured a Design and Supervision Consultant who is already on site. The inception report about the same has already been submitted and we expect a contractor to be on site by December 2026.

The project for 350 Bed hospital was contracted to SMS Construction Ltd. As mentioned above SMS Construction also experienced financial challenges which slowed down the physical progress of works. Despite UCI's several reminders and warning letters to the contractor little was achieved.

Uganda Cancer Institute has engaged SMS Construction Ltd and has agreed to assign the works directly to sub-contractors and UCI is to pay the sub-contractors directly for the works done. This has brought about a significant progress of works on site.

Authority's comment

The Authority noted the Entity's response regarding assigning works directly to subcontractors and Uganda Cancer Institute to pay them directly for the work done. However, the Entity needs to put in place more stringent evaluation criteria and evaluation process to incorporate assessment of a contractor's financial capacity prior to award of contract. Similarly, more stringent contract management is required to ensure that contractors meet all the obligations indicated in the contract. The Authority will undertake independent contract audits on the two stalled projects and thereafter recommend appropriate action.

Recommendation

The Accounting Officer should strengthen contract management by enhancing supervision, conducting regular progress monitoring, and requiring periodic reporting on project status, risks, and mitigation measures. Where delays are attributable to contractors or other service providers, management should enforce contractual provisions, including the application of appropriate penalties and corrective actions.

2.1.6 Evaluation of bids by unapproved members

Section 39(2) of PPDA Act ,205 states that "*The membership of the evaluation committee shall be recommended by procurement and disposal unit, in accordance with regulations made under this Act and approved by the Contracts Committee.*"

The audit noted that the evaluation of bids for the procurement of two new vehicles valued at UGX 867,450,000 was conducted by individuals who had not been approved by the Contracts Committee. Whereas the Contracts Committee approved the membership of the Evaluation Committee comprising Mr. Fred Obala, Ms. Amuge Catherine, Mr. Musamali Robert, Mr.

Komakech Alfred, and Ms. Patricia Nakamya, the evaluation was instead conducted by Mr. Lopuka Moses and Mr. Owino Solomon, who were not part of the approved Committee. Consequently, Mr. Fred Obala and Mr. Komakech Alfred were excluded from bid evaluation without any formal approval of their replacement by the Contracts Committee.

Implication

The participation of unapproved individuals in the bid evaluation process compromises the legality, integrity, and credibility of the procurement proceedings. It further rendered the evaluation report void since some members of the Evaluation Committee were not approved. Any administrative review could have led to a costly repetition of the process.

Management Response

The Evaluation of the Truck was done by the team appointed by the Contracts committee. It was however noted that the Truck procured was a specialised refrigerated truck which needed guidance from technical officers. The officers were invited to give technical guidance to the evaluation team however it was an oversight on the part of PDU for them to have signed the evaluation report.

Authority's comment

The Authority notes Management's explanation. Whereas it is understandable that technical officers were consulted to advise during the evaluation process, they should not have directly participated in the bid evaluation or signed evaluation report. In the event that their participation was key, they should have been submitted to the Contracts Committee for approval prior to their participation in bid evaluation and subsequent signing of the evaluation report. Similarly, it was erroneous to exclude the two approved Evaluation Committee members from conducting bid evaluation and signing the evaluation report.

Recommendation

The Head, Procurement and Disposal Unit should enforce strict adherence to the approved Evaluation Committee in accordance with Section 39(2) of the PPDA Act Cap. 205.

2.1.7 Deviation from the Solicitor General's guidance

Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023 states that "*all relevant agencies, including, where applicable, the Attorney General, make the necessary approval of the contract*".

The audit noted that during the review of the contract for the procurement of the Hospital Information Management System valued at UGX 1,199,313,451, the Solicitor General advised that Clause SCC (GCC) 36.1 (Performance Security) of the Special Conditions of Contract should require the provider to furnish a performance security equivalent to 5% of the contract price. However, contrary to this guidance, the Entity persisted with Clause GCC 36.1 to require a Performance Securing Declaration in place of the recommended performance security.

Implication

The omission of the prescribed performance security weakens the Entity's contractual safeguards and may limit its ability to recover losses arising from contractor default, thereby exposing public funds to undue risk and undermining effective contract management.

Management Response
This is noted and going forward improvements have been done to make sure these recommendations from Solicitor General are complied with.

Recommendation
The Accounting Officer should adhere to the Solicitor General's guidance and recommendations during contract review and finalization prior to contract execution.

2.1.8 Delays at different stages of the procurement process

Section 51 of the PPDA Act Cap 205 states that *"All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money."*

The Authority noted several delays at different stages of the procurement process in six sampled procurements worth UGX 4,424,712,215. These delays ranged from delayed approval of requisitions, delayed submissions to the Contracts Committee by the Procurement and Disposal Unit, delayed bid evaluation, delayed submission of contracts to the Solicitor General and the delayed contract signing after Solicitor General approval, as shown in Table 4 below:

Table 4: Delays at different stages of the procurement process

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted	Management Response
1.	Supply of General Theatre Equipment - Lot 1 Worth UGX 460,689,000	Evaluation	Delayed approval of evaluation report by the Contracts Committee by 60 days. The audit noted that whereas the evaluation report was concluded on 15th April 2024 the Contracts Committee approved the evaluation report on 29th October 2024. Delayed approval of negotiation report by 38 days. The audit noted that while the negotiation for Lot 1 awarded was concluded on 11th December 2024 with Crown Health Care,	*The procurement for Supply of General Theatre Equipment was highly specialized and technical, this report had back and forth movement to the contracts committee until it was finally approved in October, 2024. The evaluation report was continuously differed by Contracts Committee because the Best Evaluated Bidder was above our estimated budget we therefore needed to ascertain and prioritise our needs as per our budget. The User department therefore decided to prioritise Lot 1 and Lot 1 was fully supplied to completion.*

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted	Management Response
			the report was approved on 6th February 2025.	*Negotiation delayed because the supplier needed to confirm the delivery terms with the manufacturer again.* **Authority's comment** The Entity's response is noted. However, any bid evaluation exceeding the mandatory 10 days should be submitted to the Accounting Officer for approval of extension of the evaluation period regardless of the complexity of the procurement.
2.	Procurement of the Hospital Information Management System worth UGX 1,199,313,451	Initiation	Delayed submission of the procurement to the Contracts Committee by 31 days. Whereas the Accounting Officer approved procurement requisition on 29th October 2024, the Procurement and Disposal Unit submitted the same to the Contracts Committee on 10th December 2024.	*The procurement was highly technical and understanding the technical specifications with the user took time. This brought about a back-and forth movement from user to Procurement and Disposal Unit until the specifications clear.* **Authority's comment** The Entity's response was noted. However, these consultations should have been conducted prior to initiation of the procurement.
3.	Supply, Delivery, Installation, Training, Commissioning and Maintenance of Laboratory Equipment on Placement and Supply	Initiation	Delayed approval of the procurement by 20 days. Whereas the User Department raised the requisition on 26th August 2024, the audit noted the	*This is noted and has been improved going forward.*

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted	Management Response
	of Laboratory Reagents worth UGX 1,252,915,384	 Evaluation	same was approved by the Accounting Officer on 23rd September 2024. Delayed evaluation of bids: Audit noted that bid evaluation took 21 days instead of the 10 days provided for, from 4th October 2024 to 4th November 2024.	
4.	Supply of Assorted Biomedical Engineering Test and Measurement tools, Maintenance Tool Kit and Radiation Multifunctional Meter worth UGX 374,344,380	Initiation	Delayed approval of the procurement by 44 days. Whereas the User Department raised the requisition on 17th September 2024, the same was approved by the Accounting Officer two months later on 18th November 2024.	*This is noted and has been improved going forward.*
5.	Supply of new vehicles worth UGX 867,450,000	Evaluation	Delayed submission of evaluation report to Contracts Committee by 37 days. The audit noted that the evaluation report was concluded on the 22nd November 2024, the evaluation report was approved by Contracts Committee on 17th January 2025.	*Much as the evaluation report was completed in November some members were not around to sign the report on time hence a delay in submission for the report to Contracts Committee for approval.* **Authority's comment** The Entity's response was noted. However, 37 working days is a very long period to wait for every member to sign the evaluation report. The Evaluation Committee could have used other means including obtaining online signatures or

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted	Management Response
				approval by the physically absent members.
6.	Provision of Medical Health Insurance Cover for Staff worth UGX 270,000,000	Contracting	Delay to seek clearance from Solicitor General by 25 days. The audit noted that while the Contracts Committee approved the negotiation report on 29th August 2024, the Entity wrote to the Solicitor General on 3rd October 2024.	*Availability of funds approval by the user took time hence the delay in contract signing.* **Authority's comment** The Entity's response was noted. However, this is an indicator of inefficiency on the side of the User Department. Reminders and follow up on the same would have mitigated this delay.

Implication
Delays in procurement processes delays service delivery.

Recommendation
The Accounting Officer should strengthen procurement cycle management by enforcing timeliness in requisition approval, evaluation, contract committee processing, Solicitor General submission and contract execution to ensure that efficiency in the procurement process in accordance with Section 51 of the PPDA Act Cap. 205.

2.1.9 Provision of excessively long payment periods in contracts

The audit noted that the Entity provided for payment periods of 90 days and above under GCC 16.3 of the Special Conditions of Contract in most of the contracts reviewed. The Entity attributed these excessively long payment periods to the quarterly release of funds by the Ministry of Finance, Planning and Economic Development, which releases are not sufficient to fully pay service providers.

Implication
Long payment periods may discourage potential bidders, particularly small and medium-sized enterprises, from participating in the procurement process due to the significant cash flow constraints associated with delayed payments. Furthermore, bidders who choose to participate may factor the anticipated financing costs and payment delays into their bid prices, resulting in higher procurement costs to the Entity.

Management Response
This has been noted and going forward all our bidding documents have been adjusted.

Recommendation

The Authority noted the Entity's response and recommends that the Head Procurement and Disposal Unit should review and rationalize the payment terms provided in the Special Conditions of Contract to ensure that they are reasonable, fair, and aligned with the nature of the procurement and the Entity's cash flow projections, in accordance with Regulation 49(3) of the PPDA (Contracts) Regulations, 2023.

2.2 Compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap.205 and Regulations 2023

The audit noted that the process of disposal of assets started in Financial Year 2024/2025 and it was completed in FY 2025/2026.

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

The following findings relate to contract implementation, supplier performance, and financial controls.

2.3.1 Delayed delivery of items

Regulations 52(1)(b) and 52(3) (a)(i) of the PPDA (Contracts) Regulations, 2023 mandates Contract Managers to monitor contract performance to ensure that providers execute all their contractual obligations, including delivery timelines, within the contractual completion period specified in the contract.

However, the audit noted delayed delivery of procured items in three procurements worth UGX 1,750,923,800 as detailed in Table 5 below:

Table 5: Delayed Delivery of Items

No	Subject of Procurement	Exception	Response
1.	Supply of two new vehicles valued at UGX 867,450,000	Delayed delivery of the refrigerated truck by 250 days. The audit noted that whereas GCC 12 of the Special Conditions of the Contract provided for a delivery period of six months from signing of the contract on 17th February 2025, the truck was delivered on 24th April 2026.	*The truck delivered did not meet the specifications as per the contract and was rejected. The Entity had to engage Ministry of Works to ascertain whether the deviation from the previously specified specifications would affect the performance of the truck. This caused back and forth negotiation and consultations hence the delay. However, the truck has now been delivered.* **Authority's comment** The Entity's response was noted. However, the 250 working days delay due to engagement of the Ministry of

No	Subject of Procurement	Exception	Response
			Works and Transport and consultations is substantial and not justifiable, especially when the delivery period was six months.
2.	Supply of Assorted Bone Marrow Transplant Equipment worth UGX 485,046,800	Delayed delivery by 6.5 months. Whereas GCC 12 of the Special Conditions of the Contract stated that delivery shall be 2 months from contract signature, the audit noted that the contract was signed on 12th February 2025 and delivery was made on 31st October 2025.	*This is an oversight on the delivery period given for the supply of the equipment. The equipment bought was to be shipped into the country.* **Authority's comment** The Entity's response was noted. However, the Entity and the bidder both agreed on the delivery period. The supplier was therefore obligated to honor the same period. Similarly, the Entity should have amended the delivery period upon following due process for the same.
3.	Procurement for Feasibility Study for East Africa Centre of Excellence Phase II worth UGX 398,427,000	Delayed completion by nine months. Whereas GCC18.1 of the Special Conditions of the Contract required the services to be performed for a period of six months after contract signing on 8th January 2025, the audit noted that the final feasibility report had not yet been produced by the time of audit in May 2026.	*The delay was caused by User consultations which widen the scope of work. This took more time than anticipated. However, this has since been completed and delivered.* **Authority's comment** The Entity's response was noted. However, this is a planning and contract management problem. It is not justifiable that a contract of six months ended up taking one year and five months due to consultation of users, which activity had been planned prior to initiation of procurement.

Implication

Delayed delivery of supplies by providers leads to delayed service delivery to the intended beneficiaries.

Recommendation
Contract Managers should enforce strict adherence to the stipulated contractual periods provided in the contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations 2023 and the Entity should further conduct regular supplier appraisals to monitor performance against implicit timelines.

2.3.2 Failure to obtain Performance Securities and Performance Securing Declarations

The audit noted that the Entity did not obtain performance securities and performance securing declarations from bidders in four procurements, contrary to GCC 19.1 of the Special Conditions of the Contract for the same procurements. This was specifically noted in the Procurement of Radiology Supplies worth UGX 480,000,000, Procurement of Assorted Biomedical Engineering Test and Measurement Tools, Maintenance Tool Kit and Radiation Multifunctional Meter worth UGX 374,344,380, Supply of Medical Laboratory Equipment worth UGX 496,612,500 and Supply of Laboratory Reagents and Consumables worth UGX 1,116,489,404.

Implication
Failure to obtain performance securities and performance securing declarations exposed the Entity to significant contractual and financial risks. In the event of non-performance, delayed performance, or breach of contract by the suppliers, the Entity would have limited recourse to recover losses, enforce contractual obligations, or secure compensation for damages incurred.

Management Response
The supplies for Procurement of Anticancer medicines, supportive medicines and Laboratory Reagents and Consumables is under framework contract. The call off orders are given for the entire period and supplies are delivered as and when required.

Performance Securing Declarations that were not retrieved was an oversight and this has been noted by the contract managers. However, these items were fully delivered.

The Performance Security for the furniture was provided and is available for review.

Recommendation
The Authority noted the Entity's response and recommends that Accounting Officer should direct Contract Managers to obtain all outstanding Performance Securities and Performance Securing Declarations from Crown Health (U) Ltd, Microhaem Scientific and Medical Supplies Ltd, Surgimed Uganda and Medisell Uganda Ltd. Relatedly should strengthen monitoring controls to ensure their timely retrieval in accordance with GCC 19.1 of the Special Conditions of the Contract.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the scores per area assessed under different procurement and disposal audit questions.

3.1 Overall Procurement and Disposal Audit Conclusion

The performance of Uganda Cancer Institute for the performance audit of FY 24/25 was **Satisfactory** with overall weighted average risk rating of **22.8%**.

The risk rating is as shown in table 6 below

Table 6: Risk Rating

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

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 7 below:

3.3 Table 7: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	2	11.8	2,066,763,451	6.1	0.6	7.08	3.66
Medium	7	41.2	4,619,911,968	13.5	0.3	12.36	4.05
Low	1	5.8	270,000,000	0.8	0.1	0.1	0.08
Satisfactory	7	41.2	27,181,840,063	79.6	0	0	0
Total	**17**	**100**	**34,138,515,482**	**100**	**1**	**19.54**	**7.79**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{19.54 \times 100}{60} = 32.57$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{7.79 \times 100}{60} = 12.98$

Combined Weighted Average = $\frac{32.57 + 12.98}{2} = 22.8\ \%$

3.4 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Value

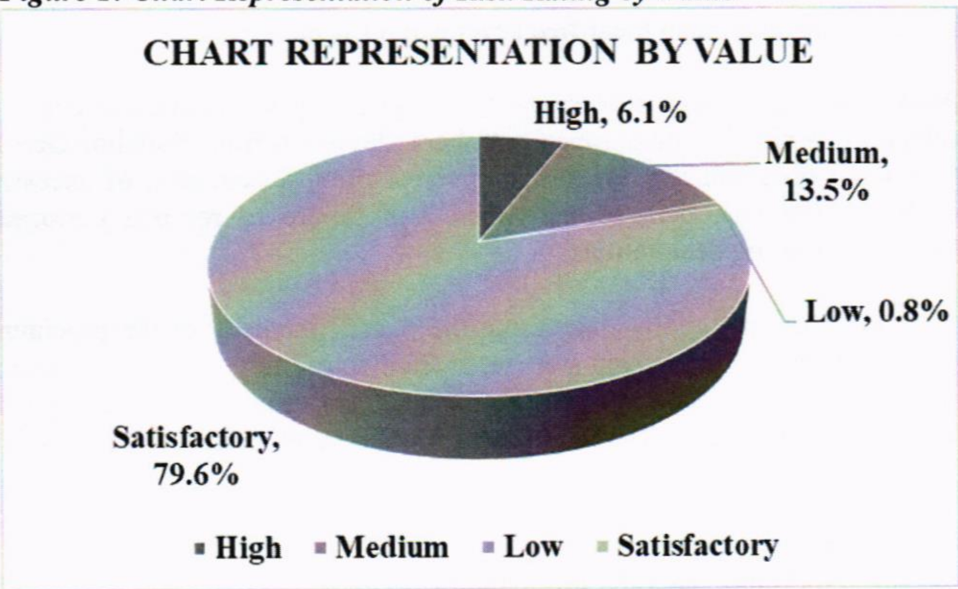
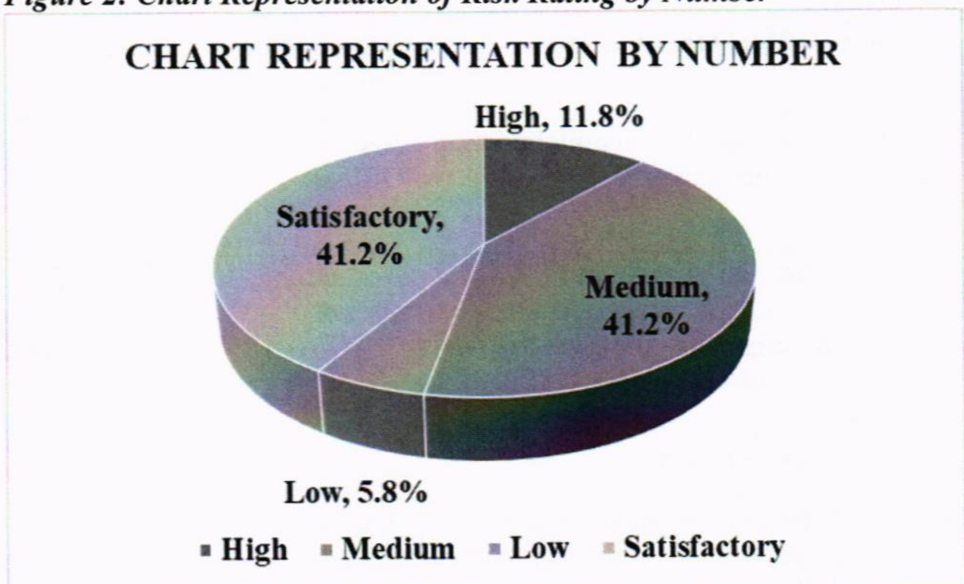


Figure 2: Chart Representation of Risk Rating by Number



3.5 Conclusion

The Procurement and Disposal activities of the Uganda Cancer Institute for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024.

While the Entity had notable strengths, including adherence to the procurement plan, robust Contracts Committee, timely appointment of the Contract Managers, proper management and handling of procured items, the audit also identified several significant weaknesses.

These included: Delays in procurement processing at multiple stages, insufficient cold chain storage facility, evaluation of bids by unapproved members, deviation from Solicitor General's guidance, failure to reserve procurements for special interest groups, provision of excessively long payment periods in contracts, delayed deliveries, and failure to retrieve performance securities and performance securing declarations.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in cold chain storage, evaluation of bids, contract management, financial commitment management, and monitoring mechanisms that may adversely affect service delivery, value for money and achievement of Government policy objectives if not addressed.

3.6 Recommended Action Plan

Uganda Cancer Institute should implement the following recommendations within the time frame given in order to improve its procurement and disposal performance as shown in table 8 below.

Table 8: Action Plan

Finding	Action/Recommendation	Responsible officer	Timeline
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Insufficient cold chain storage facility	Prioritize the expansion of its cold chain storage infrastructure to ensure adequate capacity for the storage of temperature-sensitive medicines, vaccines, and laboratory reagents.	Accounting Officer	FY 2026/27 plan implementation
Stalled High-Value Construction Projects	Rescope the pending works and seek additional resources from MOFPED to complete the project.	Accounting Officer	Within FY 2026/27
Reservation schemes	Identify eligible procurements during procurement planning, maintain a register of certified special interest group providers and monitor quarterly achievement of the mandatory 15% reservation target in accordance with Clauses 2.0 & 3.0 of the PPDA Guideline	HPDU/CC	Before FY 2026/27 implementation plan

Finding	Action/Recommendation	Responsible officer	Timeline
	11/2024.		
Evaluation of bids by unapproved members	Enforce strict adherence to the approved Evaluation Committee in accordance with Section 39(2) of the PPDA Act, Cap. 205.	AO/HPDU	Immediate
Deviation from the Solicitor General's guidance	Adhere to the Solicitor General's guidance and recommendations during contract review and finalization prior to contract execution.	Accounting Officer	Immediate
Procurement delays	Strengthen procurement cycle management by enforcing timeliness in requisition approval, evaluation, contract committee processing, Solicitor General submission and contract execution to ensure that efficiency in the procurement process in accordance with Section 51 of the PPDA Act, Cap. 205.	Head PDU	Within 60 days
Provision of excessively long payment periods in contracts	Review and rationalize the payment terms provided in the Special Conditions of Contract to ensure that they are reasonable, fair, and aligned with the nature of the procurement.	Accounting Officer/HPDU	Continuous
Delayed delivery of items	Contract Managers should enforce strict adherence to the stipulated contractual periods provided in the contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations 2023 and the Entity should further conduct regular supplier appraisals to monitor performance against implicit timelines.	Contract Managers	Continuous
Failure to retrieve Performance Securities and Performance Securing	Direct Contract Managers to obtain all outstanding Performance Securities and Performance Securing Declarations from Crown Health (U) Ltd, Microhaem	Accounting Officer	Immediate

Finding	Action/Recommendation	Responsible officer	Timeline
Declarations	Scientific and Medical Supplies Ltd, Surgimed Uganda and Medisell Uganda Ltd relatedly should strengthen monitoring controls to ensure their timely retrieval in accordance with GCC 19.1 of the Special Conditions of the Contract		

ANNEX 1: SUMMARY OF CASE BY CASE

HIGH RISK CASES

No.	Procurement Details	Reasons for Medium Risk Rating
1.	Procurement of two new vehicles worth UGX 867,450,000	• Evaluation of bids by unapproved members • Delayed submission of the evaluation report to the Contracts Committee by 37 days. • Delayed delivery of the refrigerated truck by 250 days.
2.	Procurement of the Hospital Information Management System worth UGX 1,199,313,451	• Deviation from the Solicitor General's guidance • Delayed submission of the procurement to the Contracts Committee by 31 days

MEDIUM RISK CASES

No.	Procurement Details	Reasons for Medium Risk Rating
1.	Procurement of the Feasibility Study for East Africa Centre of Excellence Phase II worth UGX 398,427,000	Delayed completion by nine months
2.	Supply of General Theatre Equipment -Lot 1 Worth UGX 460,689,000	• Delayed approval of the evaluation report by the Contracts Committee by 60 days. • Delayed approval of the negotiation report by 38 days
3.	Supply, Delivery, Installation, Training, Commissioning, and Maintenance of Laboratory Equipment on Placement and Supply of Laboratory Reagents worth UGX 1,252,915,384	• Delayed approval of the procurement by 20 days • Delayed evaluation of bids by 21 days • Provision of excessively long payment periods in contracts

No.	Procurement Details	Reasons for Medium Risk Rating
4.	Supply of Assorted Biomedical Engineering. Test and Measurement tools, Maintenance Tool Kit and Radiation Multifunctional Meter worth UGX 374,344,380	• Delayed approval of the procurement by 44 days • Failure to retrieve Performance Security from the bidder • Provision of excessively long payment periods in contracts
5.	Procurement of Radiology Supplies worth UGX 480,000,000	• Failure to retrieve Performance Securities • Provision of excessively long payment periods in contracts
6.	Supply of Assorted Bone Marrow Transplant Equipment worth UGX 485,046,800	• Delayed delivery by 6.5 months. • Provision of excessively long payment periods in contracts
7.	Supply of Laboratory Reagents and Consumables worth UGX 1,168,489,404	Failure to retrieve Performance Securities

LOW RISK CASES

No.	Procurement Details	Reasons for Low-Risk Rating
1.	Provision of Medical Health Insurance Cover for Staff worth UGX 270,000,000	Delay to seek clearance from the Solicitor General by 25 days.

SATISFACTORY CASE

1. Supply and Installation of MRI system worth UGX 8,491,854,404
2. Procurement of Anti-Cancer medicine worth UGX 8,400,000,000
3. Procurement of Supportive Medicine worth UGX 1,500,000,000
4. Supply of Medical Laboratory Equipment worth UGX 496,612,500
5. Procurement of medical sundries worth UGX 1,256,487,985
6. Supply of Electrosurgical Equipment -LOT 3Worth UGX 558,171,242.64
7. Supply and installation of laboratory furniture worth UGX 6,478,713,931.36

ANNEX 2: SAMPLE LIST FOR THE PROCUREMENT AND DISPOSAL AUDIT OF UGANDA CANCER INSTITUTE FOR FY 2024/2025

NO	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
1.	UCI/CONS/24-25/00018	Procurement of consultancy services to undertake the feasibility study for EACOE project phase II	Restricted Domestic Bidding	Dan Link Group Ltd	398,427,000	Medium
2.	UCI/SUPLS/24-25/00020	Procurement of Bone Marrow Transplant Equipment	Open Bidding	City Ambulance Ltd	485,046,800	Medium
3.	UCI/NCONS/24-25/00052	Procurement of Hospital information management system	Direct Procurement	Artson System Ltd	1,199,313,451	High
4.	UCI/SUPLS/24-25/00066	Procurement of general Theatre Equipment	Open Domestic Bidding	Crown Health Care(U)Ltd	460,689,000	Medium
5.	UCI/SUPLS/24-25/00010	Procurement of supportive Medicine	Open Domestic Bidding (Frame work)	Various	1,500,000,000	Satisfactory
6.	UCI/SUPLS/24-25/00012	Procurement of medical sundries	Open Domestic Bidding (Framework)	Various	1,256,487,985	Satisfactory
7.	UCI/SUPLS/24-25/00011	Procurement of Anti-Cancer Medicines	Open Domestic Bidding (Frame work)	Various	8,400,000,000	Satisfactory
8.	UCI/SUPLS/24-25/00008	Procurement of Radiology supplies	Open Domestic Bidding (Framework)	Surgimed Uganda	480,000,000	Medium

NO	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
9.	UCI/SUPLS/24-25/00033	Procurement, delivery, installation, training, commissioning and maintenance of Laboratory equipment and supply of reagents under framework contract	Direct Procurement	JV Elsmed Health Care Solution Ltd	1,252,915,384	Medium
10.	UCI/SUPLS/23-24/00066	Procurement of electrosurgical equipment (Lot 3)	Open domestic	Pacific Diagnostic	558,171,242.64	Satisfactory
11.	UCI/NCONS/23-24/00088	Procurement of health insurance for UCI staff	Open domestic bidding	Prudential Insurance	270,000,000	Low
12.	UCI/SUPLS/24-25/00048	Supply of Assorted Biomedical Engineering Test and measurement tools, maintenance tool kit and Radiation multi-functional Meter	Open domestic	Crown Healthcare(U) Ltd	374,344,380	Medium
13.	UCI/SUPLS/24-25/00065	Supply of Medical laboratory equipment	Restricted	Microhaem, Scientific and Medical Supplies Ltd	496,612,5000	Satisfactory
14.	UCI/SUPLS/24-25/00058	Supply and installation of laboratory furniture	Direct Procurement	Air Filter Maintenance Services International PTY LTD	USD 1,779,159.20 (UGX 6,478,713,931.36)	Satisfactory
15.	UCI/SUPLS/24-25/00022	Procurement of new vehicles	Open Domestic bidding	Summa Bolt Logistics Ltd Victoria Motors Ltd	867,450,000	High

NO	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
16.	UCI/SUPLS/24-25/00009/1	Supply of laboratory reagents and consumables	Direct procurement	Medisell UG Ltd	1,168,489,404	Medium
17.	UCI/SUPLS/24-25/00047	Supply and installation for MRI system and accessories	Direct procurement	JV ELSMED healthcare solutions Ltd /Elsmed Ltd /elsmed HSR	USD 2,332,000 (UGX 8,491,854,404)	Satisfactory
				TOTAL	**34,138,515,482**	

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	**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,	This implies lack of efficiency, standardisation and

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	**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.