



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

*"Procurement That Delivers"*

**COMPLIANCE INSPECTION REPORT OF BUNYANGABU  
DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL  
YEAR 2023/2024**

**MAY 2025**

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## **ACRONYMS**

ESHS	Environment, Social, Health and Safety
GCC	General Conditions of Contract
ITB	Instructions to Bidders
UGX	Uganda Shillings
FY	Financial Year
Ltd	Limited
HC	Health Centre
PPDA	Public Procurement and Disposal of Public Assets Authority
HQ	Head Quarters
MC	Municipal Council
P/S	Primary School
UPDF	Uganda People's Defense Force
MoH	Ministry of Health
SUPLS	Supplies
OPD	Out-Patient Department

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal compliance inspection exercise of Bunyangabu District Local Government that covered a representative sample of 10 procurement transactions during the financial year 2023/2024.

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

From the findings of the compliance inspection exercise, the performance of Bunyangabu District Local Government for the Financial Year 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **40.6%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this compliance inspection report. The following key exceptions were noted:

Despite the moderately satisfactory performance, the following key exceptions were noted:

1. The Entity did not fully implement its procurement plan for the financial year 2023/2024. A review of the quarterly reports submitted to the Authority indicated that only 31% of procurement plan was implemented which was unsatisfactory performance. Failure to implement the procurement plan denies the intended beneficiaries improved service delivery.
2. The Entity did not have a disposal plan for the Financial Year 2023/2024 contrary to Section 60 (1) of the PPDA Act, Cap. 205 leading to continued depreciation of obsolete assets;
3. Bidding documents were not scrutinized for completeness before approvals were granted by the Contracts Committee contrary to Section 31 (1) (a) (ii) of the PPDA Act, Cap. 205. As a result, three procurements worth UGX 251,901,662 had inconsistencies in bidding requirements such as inadequate evaluation criteria and contractual terms, posing risks of bidders preparing non-responsive bids;
4. In two procurement transactions worth UGX 155,345,662, bidders did not conform to all the instructions, evaluation requirements, terms and conditions specified in the bidding documents contravening Section 76 of the PPDA Act, Cap. 205. There is a risk of unfair award decisions and awarding contracts to firms without sufficient capacity;
5. In two procurement transactions worth UGX 155,345,662, contracts were signed by bidder's representatives who were not authorized to act on behalf of the firms contrary to Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023. The contracts were signed with representatives lacking the necessary Power of Attorney rendering the contracts voidable;
6. Two contracts worth UGX 2,564,559,700 were signed after the expiry of bid validity period contrary to Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023. Signing contracts where the bid validity has expired renders them voidable, potentially leading to disputes and reputational damage;
7. There was poor storage and archiving of procurement and disposal records contrary to Section 33 (o) of the PPDA Act, Cap. 205. Poor storage of procurement records exposes the Entity's documents to the risk of loss, damage and unauthorized access;

8. The Entity did not implement the Environmental, Social, Health and Safety safeguards during the construction of Kibiito Town Council Headquarters worth UGX 96,556,000 contrary to Section 66 of the PPDA Act, Cap. 205. Non-compliance with safety standards puts workers and beneficiaries at risk of accidents and injuries; and
9. The 18-months contract for the construction of Nsuura Seed Secondary School is delayed. Whereas the intended completion date is scheduled for 18<sup>th</sup> September 2025, Bresum Enterprises Ltd has only accomplished 45% physical progress against 56% time achieved. Out of the total cost of UGX 2,503,994,700 for the project, UGX 919,018,410 equivalent to 36% has been paid to the contractor. Works were at roofing stage with other structures e.g VIP pit latrines at walling stage. Critical facilities like verandahs and disability ramps had not commenced; no equipment for the ICT and Science Laboratory as well as desks. Delay implementation of the Seed School casts doubt on whether the project shall be completed within the required timelines for the benefit of the intended community.

In light of the above, Bunyangabu District Local Government should implement the following recommendations:

1. The Accounting Officer should:
  - i) Develop and implement a robust monitoring and evaluation framework to track procurement performance and ensure that planned procurements are implemented in a timely and effective manner in accordance with Section 28 of the PPDA Act, Cap.205;
  - ii) Ensure that a disposal plan is prepared for all assets that were recommended by the Board of Survey report in accordance with Section 60 (1) of the PPDA Act, Cap. 205;
  - iii) Sign contract documents with authorized representatives of providers who have the capacity to legally bind their organizations in accordance with Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023;
  - iv) Only issue a contract, purchase order, or other communication that binds a Procuring and Disposing Entity to a contract with a provider if their bid is valid in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023;
  - v) Provide storage facilities for the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process in accordance with Section 41 (1) of the PPDA Act, Cap.205; and
  - vi) Ensure that the construction of Nsuura Seed Secondary School is completed and handed over to the intended beneficiaries within the contractual period and in accordance with Section 51 of the PPDA Act, Cap. 205.
2. The Procurement and Disposing Unit should;
  - i) Strengthen reporting and communication mechanisms to ensure prompt reporting of changes in procurement plans or funding shortfalls in the Entity's monthly procurement and disposal reports submitted to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
  - ii) Prepare solicitation documents with statements of requirements, evaluation criteria and contract terms that are comprehensive to avoid ambiguities during the bidding process in accordance with Regulation 42 (a) and (b) of the PPDA (Rules and methods for procurement of supplies, works and non-consultancy services) Regulations, 2023; and

3. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 30 (e) of the PPDA Act, Cap 205.
4. The Evaluation Committee(s) members should strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.
5. The User Departments should ensure that all Environmental, Social, Health and Safety safeguards requirements are adhered to in accordance with Section 66 of the PPDA Act, Cap. 205.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection exercise at Bunyangabu District Local Government. The exercise covered a sample of 10 procurement transactions carried out during the Financial Year 2023/2024. The exercise involved a review of the procurement system, and procurement processes following the Public Procurement and Disposal of Assets Act, Cap. 205, and the attendant PPDA Regulations.

### 1.2 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. The Accounting Officer of Bunyangabu District Local Government for the Financial Year 2023/2024 was the Chief Administrative Officer, Mr. Isa Hood Nsubuga.

Section 28 (1) (a) and (c) of the PPDA Act, Cap 205 specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level. Bunyangabu District Local Government had an established Contracts Committee and Procurement and Disposal Unit at the time of the inspection and their composition is detailed in Tables 1 & 2 below;

#### a. Procurement and Disposal Unit

The Procurement and Disposal Unit was constituted with a Senior Procurement Officer and Procurement Officer as detailed in Table 1 below:

**Table 1: Composition of the Procurement and Disposal Unit**

S/N	Name	Job Title
1.	Mr. Patrick Kalyebara	Senior Procurement Officer
2.	Mr. Hillary Maingi	Procurement Officer

#### b. Contracts Committee composition

The Contracts Committee was comprised of the following appointed members as detailed in Table 2 below:

**Table 2: Composition of the Contracts Committee**

No.	Name	Job Title	Committee Position
1.	Mr. John Twasiima	Assistant District Health Officer	Chairperson
2.	Mr. Edgar Muganzi	Senior Environmental Officer	Secretary
3.	Mr. Robert Sanyu	District Education Officer	Member
4.	Ms. Agnes Nyangoma	Senior Labour Officer	Member
5.	Mr. Ronald Mugume	Assistant Engineering Officer	Member

### 1.3 Objectives of the compliance inspection

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Bunyangabu District Local Government's procurement processes with the



provisions of the PPDA Act, Cap. 205, Regulations and assess the level of procurement performance in the inspection period.

The specific objectives were to:

1. Establish the level of performance with the general provisions of the PPDA Act, Cap. 205, and PPDA Regulations concerning the procurement structures and conduct of procurement processes;
2. Establish the level of compliance compliance of the school's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

#### **1.4 Scope of the compliance inspection**

The compliance inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation on a sample basis. The inspection covered a representative sample of 10 procurement transactions under the Financial Year 2023/2024. The list of sampled transactions is contained in **Appendix 1**.

#### **1.5 Inspection Methodology**

Bunyangabu District Local Government was notified about the inspection exercise on **3<sup>rd</sup> December 2024**. A sample of 10 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and monthly procurement and disposal reports. The team also reviewed the procurement plan for the FY 2023/2024. The inspection commenced on **17<sup>th</sup> December 2024**.

Two Senior Performance Monitoring Officers conducted the exercise under the supervision of the Regional Manager Western Region. The inspection team examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive inspection conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract award and execution.

A debrief meeting was held on **18<sup>th</sup> December 2024** to clear all pending issues that arose during the inspection with the school management and staff before the inspection team could embark on the preparation of the management letter. The team prepared the management letter, which was sent to the Entity on **13<sup>th</sup> February 2025** with a request to submit a management response by **21<sup>st</sup> February 2025**. However, the Entity submitted its response on **14<sup>h</sup> March 2025**.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain a detailed chronology of findings on each of the sampled transactions. The inspection report presents the key findings and conclusions arising from the inspection. Reporting is in a format that identifies the findings by exception, the level of risk and the recommendations. The procurements are rated in four categories according to the weakness identified namely; High risk, Medium risk, Low risk and Satisfactory.



## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205, AND PPDA REGULATIONS CONCERNING THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

The following areas of non-conformity were observed:

#### 2.1.1 Procurement plan management

Section 58 (2) of the PPDA Act, Cap.205 requires Procuring and Disposing Entities to plan their procurement and disposal activities rationally. Section 58 (4) of the PPDA Act, Cap.205 empowers Procuring and Disposing Entities to review and update their procurement plans quarterly and in any other case, wherever necessary.

A review of the quarterly reports submitted by the Entity revealed that Bunyangabu District Local Government implemented 31% of its procurement plan for the Financial Year 2023/2024 which is unsatisfactory performance as detailed in Table 3 below:

**Table 3: Analysis of Procurement Plan Performance**

Total procurement plan value inclusive of VAT (UGX)	7,270,168,370
Total procurement spend value inclusive of VAT (UGX)	2,277,404,400
Procurement plan implementation rate (%)	31%
Implementation variance (UGX)	4,992,763,970

The following anomalies contributed to the above unsatisfactory performance in the implementation of the procurement plan:

#### i) Failure to implement all planned procurement

From the review of the procurement plan, the Entity did not implement 39 planned procurements worth UGX 1,059,433,491. These procurements were not reported in the Entity's quarterly and monthly procurement and disposal reports, and the Authority was not informed of any changes in priority or funding shortfalls.

Among the procurements not implemented include various infrastructure projects, such as road construction, bridge construction, and building renovations, as well as procurement of medical equipment and security solar lights as detailed in Table 4 below:

**Table 4: Planned procurements that were not implemented**

Sn	Subject of procurement	Amount
1.	Rehabilitation of Kabahanog HC II Maternity Ward- Terrazo flooring	45,540,000
2.	Procurement of medical equipment for Kateebwa Health Centre	80,000,000
3.	Improvement of a school main hall block new floor and plastering at Mujunju Primary School in Kibito Sub-County	19,050,000
4.	Construction of Mujunju- Kanyegaramira- Nsongya bridge road	8,000,000
5.	Construction of a water born toilet II in Kibiito TC	2,615,558
6.	Construction of a water born toilet in Kibiito Market	49,500,000

<b>Sn</b>	<b>Subject of procurement</b>	<b>Amount</b>
7.	Extended periodic maintenance of 1 km Kibiito District Headquarter Tarmac Road	600,000,000
8.	Additional works on Rwimi town Council Headquarter block	46,300,000
9.	Purchase and installation of security solar lights (Magamaga, Gatyanga and Ntabago street)	10,500,000
10.	Construction of a tap stand and water tap at Kyanga Market	3,200,000
11.	Bukika 1- Kyabwiso- Mitandi road 2.5km	16,040,000
12.	Kaguma- Nyabekenda- Nyantwiri road 1.2km	10,299,000
13.	Market establishment at Buheesi TC	3,110,892
14.	Routine maintenance works in Buheesi TC	9,600,000
15.	Setting up a roundabout in buheesi TC	5,482,800
16.	Kyanyondo- Mujwara- Nyabogo road	20,000,000
17.	Burongo- Kabajwa road	5,000,000
18.	Nulegeya- Nyakinoni road	13,500,000
19.	Rubona- Bukambi road	1,500,000
20.	Procurement of 2 street lights in Rubona TC	6,300,000
21.	Titling of Rubona TC land	1,531,244
22.	Jura-Kibate Road	5,000,000
23.	Bulenge – Buna-Kitangisi Road	9,000,000
24.	Kyamukube- Bujaraba road	7,940,000
25.	Purchase of chain link ofr Kibate HC II	4,000,000
26.	Titling of Town Council land in Kyamukube TC	3,361,791
27.	Grading nad spot murraming of Kyabikere Good vision	5,000,000
28.	Grading nad spot murraming of Isule – Mitandi Primary School	8,904,011
29.	Completion of Kisindani road	6,976,489
30.	Grading nad spot murraming of Kambusu- Bihondo SDA	7,476,89
31.	Grading Makomuyonge road	7,500,000
32.	Nyakitunga- Mujunju- Hakelezoa road	4,690,000
33.	Kyamweko- Kitojo- Nsongya road	4,507,000
34.	Rwakwini- Katugunda COU road	6,500,000
35.	St. Adolf CC- Kasukali road	2,311,000
36.	Bellavisita sub county headquarters road	8,243,000
37.	Opening nad grading of Bgambwenda via Kalyebara to Late Pius Road	7,299,141
38.	Butyoka TC – Kiganga TC	3,950,000
39.	Kamanda- Kinywabushera- Paskali -Baketenga road	7,174,000
<b>Total</b>		<b>1,059,433,491</b>

#### **Implication**

Failure to implement the plan may be an indicator of poor service delivery to beneficiary communities.

#### **Management response**

*Most activities were implemented and the plan adjusted by close of financial year except for Kibiito Town Council where only UGX 300,000,000 was released and utilized.*

### **Authority's Comment**

There was no documentary evidence submitted to the Authority for verification, therefore the query was maintained.

### **Recommendations**

- The Accounting Officer should develop and implement a robust monitoring and evaluation framework to track procurement performance and ensure that planned procurements are implemented in a timely and effective manner in accordance with Section 28 of the PPDA Act, Cap.205;
- The Procurement and Disposal Unit should strengthen reporting and communication mechanisms to ensure prompt reporting of changes in procurement plans or funding shortfalls in the Entity's monthly procurement and disposal reports submitted to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

#### **2.1.2 Poor storage of procurement and disposal action files**

Regulation 25 (1) (n) of the Local Governments (PPDA) Regulations 2006, requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process.

The Authority found that the Procurement and Disposal Unit lacked adequate storage space and filing cabinets for archiving procurement and disposal records. The Procurement and Disposal Unit did not have a proper records management system to track files. As a result, procurement and disposal records were kept on the floor as shown in Figure 1 below:

**Figure 1: Procurement and Disposal records poorly stored**



*Above: Image showing procurement and disposal action files stored on the floor*

Furthermore, the Entity did not submit to the auditors the bidding documents that were issued to the bidders stating that the records were on a laptop that was stolen from the Assistant Procurement Officer. There was no back up for the electronic records. The PDU also had difficulty retrieving bids that had been received from the bidders.



### **Implication**

This exposes the Entity's procurement records to the risk of loss, damage, unauthorized access, and tampering with the contents of such records.

### **Management Response**

*The Entity faces scarcity of office space, but efforts have been made by writing to the Ministry of Finance for more funding to complete the administration department.*

### **Recommendations**

The Accounting Officer should:

1. Task the registry staff to provide record storage training to the Procurement and Disposal Unit.
2. Provide storage facilities for the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process in accordance with Section 41 (1) of the PPDA Act, Cap.205.

### **2.1.3 Issuance of poorly drafted solicitation documents with inadequate requirements**

The Authority reviewed the solicitation documents provided and observed that they were these had inadequate evaluation criteria contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006. This was noted in three procurements worth UGX 251,901,662 as detailed in Table 5 below:

**Table 5: Procurements with poorly drafted solicitation documents issued**

<b>No.</b>	<b>Subject of procurement</b>	<b>Amount (UGX)</b>	<b>PPDA Findings</b>
1.	Construction of Kibiito Town Council Headquarters	96,556,000	<b>Inadequate evaluation criteria:</b> The financial requirements were very low compared to the actual contract price. Therefore, difficult to assess the capacity of a contractor to execute works estimated at UGX 102,097,175: <ul style="list-style-type: none"><li>• Average annual turnover of UGX 50,000,000</li><li>• Specific experience of two contracts of at least UGX 42,000,000 for the last two years.</li><li>• Cash flows requirement of UGX 20,000,000 and overall cashflow requirement for the concurrent commitments.</li></ul>
2.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	<b>Inadequate evaluation criteria:</b> The following criteria was inadequate to assess the capacity of a consultant to execute the services: <ul style="list-style-type: none"><li>• There was a contradiction between the evaluation criteria requirement and the actual project milestone. The project's three-month completion</li></ul>

No.	Subject of procurement	Amount (UGX)	PPDA Findings
			<p>timeline was inconsistent with the technical evaluation criteria, which allocated 5-10 points for completion within four months.</p> <ul style="list-style-type: none"> <li>• ITB 9.2 stated that a pre-bid meeting was not applicable but the invitation to bid and the evaluation report indicated that the pre-bid meeting was held on 16<sup>th</sup> August 2023.</li> <li>• There were no financial criteria to ascertain the financial capacity of firms. No Audited books, no financial ratios were calculated or to be calculated to ascertain financial wellness.</li> </ul>
3.	Completion of Rubona TC Headquarters	94,730,662	<p><b>Inadequate evaluation criteria:</b> The financial requirements were very low compared to the actual contract price. Therefore, the following criteria was inadequate to assess the capacity of a contractor to execute works estimated at UGX 100,000,000:</p> <ul style="list-style-type: none"> <li>• Average annual turnover of UGX 50,000,000.</li> <li>• Cash flows requirement of UGX 20,000,000 and overall cash flow requirement for the concurrent commitments.</li> </ul>
<b>Total</b>		<b>251,901,662</b>	

### **Implication**

There is a risk of attracting bidders without the required technical and financial capacity to execute the required works and it also leads to the procurement of items that do not meet the users' requirements.

### **Management response**

*Management acknowledged the query and pledged to improve.*

### **Recommendation**

The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, Cap.205.

#### 2.1.4 Irregularities during the bidding process

There were irregularities in the issue, receipt and opening of bids in three procurements worth UGX 153,929,225 contrary to Regulation 66 (4), Regulation 17 (3) (b) and Regulation 70 (5) of the Local Governments (PPDA) Regulations, 2006 as indicated in Table 6 below:

**Table 6: Procurement transactions with incomplete bidding forms**

No	Subject of procurement	Amount (UGX)	PPDA Finding
1.	Construction of Kibiito Town Council Headquarters	96,556,000	<ul style="list-style-type: none"><li>• The record of receipt (Form 9) was not properly completed, as it was only signed by Ms. Agnes Ainebyoona, the Office Attendant, without proper management by the Procurement and Disposal Unit (PDU) or witnessing by the Contracts Committee (CC).</li><li>• The receipt of bids lacked essential documentation, undermining the checks and balances within the procurement process. Crucial details such as the reference number, deadline for submissions and time of receipt were not captured allowing room for potential irregularities, including the acceptance of late bids.</li><li>• The bid opening process was also flawed, as LG PP Form 10 revealed that it was managed by the Senior Procurement Officer, Mr. Patrick Kalyebara, without being witnessed by the User Department or the Contracts Committee. Although Mr. John Twasiima, the Contracts Committee Chair, was in attendance, he did not sign the form as a witness.</li></ul>
2.	Extension of Yerya GFS to Kyoga - Buguzi in Kisomoro SC	57,373,225	<ul style="list-style-type: none"><li>• The bid from Chrik Co. Ltd was not recorded on LG PP Form 10 as at bid opening</li></ul>
<b>Total</b>		<b>153,929,225</b>	

#### Implication

This undermines the principles of transparency and accountability which may lead to forgeries, including accepting late bids.



### **Management response**

*Management acknowledged the query and pledged to improve.*

### **Recommendation**

The Procurement and Disposal Unit and Contracts Committee should ensure that the bidding process for all procurements is conducted in a manner that is transparent in accordance with Section 48 of the PPDA Act, Cap. 205.

#### **2.1.5 Low bidder participation**

Section 49 of the PPDA Act, Cap. 205 emphasizes the need to maximize competition in all procurement and disposal processes to achieve value for money. However, the inspection revealed a concerning trend of low bidder participation in the Entity's sampled procurement transactions with 30% of the sampled procurements worth UGX 212,718,887 either receiving a single bid or only two bidders responding to bid invitations as detailed in Table 7 below:

**Table 7: Procurements with low bidder participation**

No.	Subject of procurement	Amount (UGX)	Number of bidders invited	Number of bids received
1.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	3	2
2.	Completion of Rubona Town Council Headquarters	94,730,662	Open Domestic Bidding	2
3.	Extension of Yerya GFS to Kyoga - Buguzi in Kisomoro SC	57,373,225	Open Domestic Bidding	2
<b>Total</b>		<b>212,718,887</b>		

### **Implication**

The low bidder participation, with an average of only two bids per procurement, falls significantly short of the desired competitive standards, potentially compromising the achievement of value for money in Bunyangabu District Local Government's procurement processes.

### **Management Response**

*The bid opportunities were advertised in a public newspaper (New vision) and we attracted 2 bidders instead of three. The entity is currently inviting six and above providers to participate in most procurements which has improved the level of competition.*

### **Recommendation**

The Procurement and Disposal Unit should review its evaluation criteria and requirements to stimulate competition and also sensitize bidders to improve the level of confidence bidders have in the procurement processes of the Entity to maximize competition in accordance with Section 49 of the PPDA Act Cap. 205.

### 2.1.6 Irregularities during the evaluation of bids

Regulation 73 (1) of the Local Governments (PPDA) Regulations, 2006 states that a substantially compliant and responsive bid shall conform to all the instructions, requirements, terms, and conditions of the bid documents without material deviation, or omission.

The Authority noted irregularities during the evaluation of bids in two procurements worth UGX 155,345,662 as detailed in Table 8 below:

**Table 8: Procurements with evaluation irregularities**

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	<b>Irregular evaluation of bids:</b> <ul style="list-style-type: none"><li>• The evaluation criterion required bidders to make comments on the Terms of Reference. St. Mary's Engineering Services Ltd proposed that the design life reduces from 25years to 20 years with 2022 as the base year. However, these comments and impact on the project objectives were not evaluated.</li><li>• Rok Technical Services were eliminated for failure to acquire the minimum score of 80points as required. However, their score was not captured in the final evaluation report.</li><li>• There were arithmetic errors. St. Mary's Engineering Services Ltd was adjusted from UGX 44,450,000 to UGX 60,615,000 as per the financial evaluation report. No communication of arithmetic errors worth UGX 16,165,000 was on file.</li><li>• Mr. Deo Mutegeki a member of the Evaluation Committee did not sign the report.</li><li>• Delayed evaluation. Technical took three days but financial evaluation lasted 27 working days.</li></ul>
2.	Completion of Rubona Town Council Headquarters	94,730,662	<b>Irregular evaluation of bids:</b> <p>The Standard Bidding Document required the bidder to own or lease a 7- ton tipper lorry and a concrete mixer, the Best Evaluated Bidder did not attach proof of owning either of the above yet they were passed and went on to become BEB.</p>
<b>Total</b>		<b>155,345,662</b>	

### Implication

The Entity is at a risk of awarding contracts to bidders that are not compliant with the obligation to pay taxes and without adequate capacity to undertake the required works, which may lead to shoddy and abandoned works.

### Management response

*Management acknowledged the query and pledged to improve.*

### Recommendations

1. The Evaluation Committees should;
  - Strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 71 (3) of the PPDA Act, Cap.205.
  - Carryout a comprehensive out due diligence on bidder's submitted information in accordance with Regulation 26 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
2. The Head Procurement and Disposal Unit should ensure compliance with the PPDA Act Cap.205, PPDA Regulations, Guidelines, and best practices in accordance with Section 34 (c) of the PPDA Act Cap. 205.

#### 2.1.7 Expired bid validity

Regulation 49 (5) of the Local Governments (PPDA) Regulations states that “*where an extension to the bid validity period becomes necessary, a bidder shall be requested in writing, before the expiry of the validity of their bid, to extend the validity for a minimum period to complete the process*”.

However, in two procurements worth UGX 2,564,559,700 in Table 9 below, the Entity did not request for bid validity extension and went ahead to sign contracts against expired bids.

**Table 9: Contracts signed with expired bids**

No	Subject of procurement	Amount	Date of bid opening	Bid validity expiry date	Contract signature date
1.	Construction of Nsuura Seed Secondary School in Kyamukube Town Council	2,503,944,700	19 <sup>th</sup> May 2023	15 <sup>th</sup> September 2023	19 <sup>th</sup> February 2024
2.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	30 <sup>th</sup> August 2023	2 <sup>nd</sup> January 2024	26 <sup>th</sup> January 2024
<b>Total</b>		<b>2,564,559,700</b>			

### Implication

This implies that contracts were signed against expired bids. Consequently, these contracts are voidable by either party in the event of a dispute as the offer had expired.

### **Management Response**

*Bidders had extended the validity period before contract signing.*

### **Authority's Comment**

There was no documentary evidence submitted to the Authority for verification, therefore the query was maintained.

### **Recommendation**

The Accounting Officer should not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the bid is valid in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023.

The Head of the Procurement and Disposal Unit should ensure timely monitoring of bid validity periods. Where an extension becomes necessary, the Head PDU should notify bidders to extend their bid validity periods adequately, in accordance with Regulation 62(5) & (6) of the PPDA Regulations, 2023.

#### **2.1.8 Signing contracts with unauthorized representatives**

The inspection revealed that unauthorized personnel were signing contracts on behalf of providers in two procurement transactions worth UGX 155,345,662. The contracts signed on behalf of contractors by personnel without Powers of Attorney are detailed in Table 10 below:

**Table 10: Contracts signed by unauthorized personnel**

No	Subject of procurement	Amount	Contractor	Power of Attorney	Contract signatory
1.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	St. Mary's Engineering Services Ltd	Mr. Sollo Taddeo Mutegeki	Mr. Tom Mugara
2.	Completion of Rubona Town Council Headquarters	94,730,662	Kibiito Civil Works Ltd	Azoora Bright John	Birungi Eron
<b>Total</b>		<b>155,345,662</b>			

### **Implication**

Signing contracts with representatives of the providers who have no Power of Attorney is irregular and makes the resultant contract voidable.

### **Management response**

*Management acknowledged the query and pledged to improve.*

### Recommendation

The Accounting Officer should sign contract documents with authorized representatives of providers who have the capacity to legally bind their organizations in accordance with Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023.

#### 2.1.9 Irregularities at contract award, signing and poorly drafted contract documents

The Authority observed that three contracts worth UGX 2,661,115,700 were poorly drafted as detailed in Table 11 below:

**Table 11: Issues with contract documents**

No	Subject of procurement	Amount UGX	PPDA Finding
1.	Construction of Nsuura Seed Secondary School in Kyamukube Town Council	2,503,944,700	<ul style="list-style-type: none"><li>• The contract was not properly executed, as the signatories, Accounting Officer Mr. Fred Nsubuga and the Power of Attorney representing Bresum Enterprises Ltd, failed to initial all pages.</li></ul>
2.	Construction of Kibiito Town Council Headquarters	96,556,000	<p><b>Irregularities in contract award process</b></p> <ul style="list-style-type: none"><li>• The contract for the construction of Kibiito Town Council phase 1 and Kibiito Town Council Headquarters was initially awarded to Norasa Technical Services Ltd, but it was terminated on 9<sup>th</sup> May 2024, due to the company's financial constraints and failure to submit the ESHS performance guarantee on time. Notably, a Notice of Best Evaluated Bidder (NOBEB) was issued on 22<sup>nd</sup> April 2024, declaring Serin and Son Services Ltd, the runner-up, as the best evaluated bidder, even before Norasa Technical Services Ltd informed the entity of their financial constraints on 6<sup>th</sup> May 2024, and before the Contracts Committee approved the rescission of the contract on 8<sup>th</sup> May 2024.</li></ul> <p><b>Failure by contract signatories to initial all contract pages</b></p> <ul style="list-style-type: none"><li>• The contract signatories, CAO Nsubuga Fred and Mr. Eric Rwobumanyoro, the Power of Attorney representing Serin and Son Services Ltd, failed to initial all pages of the contract.</li></ul> <p><b>Lack of a contract witness</b></p> <ul style="list-style-type: none"><li>• The contract signing was not witnessed on behalf of the district.</li></ul>
3.	Design and documentation of	60,615,000	The contract was witnessed by Mr. Nsubuga Isa Hood, the Chief Administrative Officer

No	Subject of procurement	Amount UGX	PPDA Finding
	Gatyanga Motorized piped water supply system in Rwimi T/C		(CAO), but he did not sign as a party to the contract.
<b>Total</b>		<b>2,661,115,700</b>	

### **Implication**

This implies that the general and special conditions of the contract were not accented to by parties to the contract.

### **Management response**

*Management acknowledged the query and pledged to improve.*

### **Recommendations**

- The Contracts Committee should always scrutinize contract documents for completeness, consistency, correctness and accuracy before approval in accordance with Section 31 (1) (a) (iv) of the PPDA Act Cap. 205.
- The Head Procurement and Disposal Unit should ascertain that the most appropriate type of contract results from the procurement proceedings in terms of contractual protection to the Entity, structure of payment, payment terms and method of payment in accordance with Regulation 42 (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### **2.1.10 Management of Performance Securities**

To protect the Entity against non-performance of contracts, the Special Conditions of the Contract required providers to submit a Performance Security. The inspection revealed irregularities in one procurement transaction worth UGX 2,503,944,700 regarding the Performance Security as detailed in Table 12 below:

**Table 12: Procurements with Performance Security Irregularities**

No.	Subject of procurement	Amount (UGX)	PPDA Finding
1.	Construction of Nsuura Seed Secondary School in Kyamukube Town Council	2,503,944,700	<b>Late submission of 10% Performance Security:</b> The contractor, Bresum Enterprises Ltd, failed to submit the performance security within the stipulated timeframe. As per GCC 61.1, the security was due within 21 working days of contract signing, which expired on 11 <sup>th</sup> March 2024. However, the securities were not submitted until 2 <sup>nd</sup> June 2024, nearly three months after the deadline.
<b>Total</b>		<b>2,503,944,700</b>	



**Implication**

The Entity was not protected against the risk of non-performance of the contracts by the contractors.

**Management response**

*For Nsuura Seed School Securities, the entity wrote reminding the bidder who took long to respond due to bank process bureaucracies.*

**Recommendation**

The Accounting Officer should ensure that contract supervisors enforce the requirement of submission of an adequate Performance Security as specified in the contracts in accordance with Regulation 11 (3) (c) of the PPDA (Contracts) Regulations, 2023.

**2.1.11 Delays across the procurement process**

Section 48 of the PPDA Act, Cap.205 requires all procurement and disposal processes within an Entity to be conducted in a manner that promotes economy, efficiency and value for money. Delays were noted across the procurement process in one procurement worth UGX 60,615,000 as detailed in Table 13 below:

**Table 13: Procurements with delays at different stages of the procurement process**

No.	Subject of procurement	Amount	Observation
1.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	<p><b>Delay in opening financial bids:</b> There was a 25-day delay in opening the financial bids. Although the technical evaluation report was signed on 4<sup>th</sup> September 2023, the financial bids were opened on 29<sup>th</sup> September 2023.</p> <p><b>Delay to award the contract:</b> There was a 62 working day delay to approve the evaluation report which occurred between the completion of the financial evaluation on 10<sup>th</sup> October 2023 and the Contracts Committee's approval of the evaluation report on 3<sup>rd</sup> January 2024.</p>
		<b>60,615,000</b>	

**Implication**

Unnecessary delays in the procurement process affect service delivery and are a sign of inefficiency of the procurement function.

**Management response**

*The delays occurred as a result of waiting for approval of Contracts Committee approval by PSST.*

### **Recommendation**

The Accounting Officer should put in place measures that eliminate unnecessary delays and ensure that the procurement processes within the Entity promote efficiency in accordance with Section 46 of the PPDA, Act Cap.205.

#### **2.1.12 Missing records on procurement action files**

Regulation 46 (2) of the Local Governments (PPDA) Regulations, 2006, provides all the procurement records to be maintained by the Procurement and Disposal Unit. However, the inspection revealed that two sampled procurement action files worth UGX 157,171,000 had records missing as detailed in Table 14 below contrary to the above Regulation;

**Table 14: List of missing records on procurement action files**

No.	Subject of Procurement	Amount (UGX)	Records missing
1.	Construction of Kibiito Town Council Headquarters	96,556,000	<ul style="list-style-type: none"><li>• Non-refundable fee payment receipts</li><li>• Contract management plan</li><li>• Completion certificate</li></ul>
2.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	<ul style="list-style-type: none"><li>• Final approved detailed design</li><li>• Inception report</li><li>• Feasibility study</li><li>• Preliminary design</li><li>• Draft Detailed Design</li></ul>
<b>Total</b>		<b>157,171,000</b>	

### **Implication**

This affected the audit trail since the inspection failed to establish whether contracts were effectively managed and payments made as per the contractual obligations.

### **Management Response**

*Management acknowledged the query and pledged to improve.*

### **Recommendation**

The Accounting Officer should ensure that all necessary documentation relevant to a procurement process is submitted to the Procurement and Disposal Unit to enable the Unit to close off the respective procurement action file in accordance with Section 44 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 REGULATIONS**

The Authority found the following exceptions:

#### **2.2.1 Inadequate Disposal Planning**

Section 60 (2) of the PPDA Act, CAP. 205 requires a Procuring and Disposing Entity to plan its procurement and disposal rationally. The inspection revealed that Bunyangabu District Local Government did not prepare a disposal plan for the Financial Year 2023/2024, despite having

several obsolete assets recommended for disposal by the Board of Survey Report for the Financial Year 2022/2023.

#### **Implication**

The failure to prepare a disposal plan prevents the Entity from effectively disposing of obsolete assets, resulting in items becoming obsolete.

#### **Management response**

*The entity is in advanced stages of the disposal process. We have now secured approvals to dispose from relevant mother ministries and the valuation report by A Technical Team from Ministry of works is ready. The entity is now placing and advert to dispose of the Assets.*

#### **Recommendation**

The Head Procurement and Disposal Unit should prepare a disposal plan for all assets that were recommended by the Board of Survey Report for the Financial Year 2023/2024 in the disposal plan according to Section 60 (1) of the PPDA Act, Cap 205.

#### **Failure to dispose of Bunyangabu District Local Government's obsolete assets**

The Authority noted that Bunyangabu District Local Government did not dispose of the following obsolete assets as detailed in Table 15 below contrary to Regulation 122 of the Local Governments (PPDA) Regulations, 2006:

**Table 15: Obsolete assets spread all over the compound**

<b>No.</b>	<b>Item</b>	<b>Tag. No</b>	<b>Comment</b>
1.	Double cabin Hilux	LG 0173-14	Due for disposal
2.	Double cabin Hilux	UG 0418 R	Due for disposal
3.	E-ranger Ambulance	UD 025Z	Due for disposal
4.	Honda Motorcycle (110C)	UG 1738M	Due for disposal
5.	Motor cycle	UG 2808M	Due for disposal
6.	Yamaha AG	LG 015914	Due for disposal
7.	Yamaha AG	LG 015214	Due for disposal
8.	Yamaha AG	LG 014414	Due for disposal
9.	Motor cycle	UG 1738M	Due for disposal
10.	Yamaha	LG 017914	Due for disposal
11.	Computer	Compaq	Due for disposal
12.	Printer	Laser Jet	Due for disposal
13.	Motorcycle Yamaha	LG 0103114	Due for disposal
14.	Keyboard	BUNYA/17-18/CPU/001	Due for disposal
15.	Printer	HP laser jet pro M302dne	Due for disposal
16.	Dell computer	BUNYA/LD/1718/MT001	Due for disposal
17.	Motor cycle	LG0127-14	Due for disposal
18.	Motor cycle	UG0931M	Due for disposal
19.	Motor cycle	LG0198-14	Due for disposal
20.	Motor cycle	LG0168-14	Due for disposal
21.	Ford Range pick up	LG0001-158	Due for disposal

No.	Item	Tag. No	Comment
22.	Ford pick up	UG3463R	Due for disposal

**Figure 2: Obsolete Assets due for disposal**



### **Implication**

Failure to dispose of inhibits the achievement of value for money as funds are held up in assets and also lost through depreciation.

### **Management response**

*Disposal process is ongoing.*

### **Recommendations**

- The Accounting Officer should provide an explanation to the Authority as to why the Entity failed to dispose of obsolete assets.
- The Accounting Officer should conduct disposal of all the obsolete items identified by the Board of Survey following Regulation 2 of the PPDA (Disposal) 2023.

## **2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS**

The Authority found the following exceptions:

### **2.3.1 Delayed procurement processes**

The Authority identified substantial delays in two sampled procurement transactions worth UGX UGX 157,171,000 with an average timeline overrun of 95 days as shown in Table 16 below:

**Table 16: Procurements whose planned timelines were exceeded during implementation**

No	Subject of procurement	Amount (UGX)	Planned procurement duration	Actual Procurement Duration	Procurement time overrun
1.	Construction of Kibiito	96,556,000	34 days	105 days	71 days



No	Subject of procurement	Amount (UGX)	Planned procurement duration	Actual Procurement Duration	Procurement time overrun
	Town Council Headquarters				
2.	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	60,615,000	24 days	145 days	119 days
<b>Total</b>		<b>157,171,000</b>			

### **Implication**

The Entity's planned procurement timelines were overly ambitious and posed a significant risk to effective service delivery, potentially compromising the quality of services provided to the community.

### **Management Response**

*The entity did not have an approved Contracts Committee. Waiting for approval from PSST.*

### **Recommendations**


- The Procurement and Disposal Unit should efficiently implement all procurement processes in accordance with Section 51 of the PPDA Act, Cap 205.
- The User Departments should set realistic timelines for project implementation so as to achieve effective service delivery.

### **2.3.2 Implementation of Environmental, Social, Health and Safety Safeguards**

The inspection revealed that environmental, social, health and safety safeguards were neglected during the construction of Kibiito Town Council Headquarters worth UGX 96,556,000 as detailed in Table 17 below:

**Table 17: Table showing procurements without ESHS requirements**

No	Subject of procurement	Amount (UGX)	Contractor	PPDA finding
1.	Construction of Kibiito Town Council Headquarters	96,556,000	Serin and Son Services Ltd	<b>Non-implementation of ESHS requirements during project implementation</b> A review of the payment certificates and site inspection pictures revealed that despite allocating UGX 100,000 for site hoarding as part of the preliminaries, the site was not properly secured. Furthermore, workers on site were not wearing Personal Protective Equipment (PPE), exposing them to unnecessary risks as shown in the picture below.

No	Subject of procurement	Amount (UGX)	Contractor	PPDA finding
				 <p>The above pictures show the unhoarded site and workers without PPEs</p>
<b>Total</b>		<b>96,556,000</b>		

#### **Implication**

Failure to adhere to ESHS provisions can have adverse impacts on the planet and humanity.

#### **Management Response**

*Screening of site and monitoring was done to ensure ESHS were implemented and reports prepared.*

#### **Recommendation**

The Accounting Officer should ensure that all environmental, social, health, and safety safeguards requirements are adhered to in accordance with Section 66 of the PPDA Act, Cap 205.

#### **2.3.3 Delayed payment of providers**

Regulation 117 (6) of the Local Governments (PPDA) Regulations, 2006, requires payments to providers within 30 days from certification of invoices. However, the final payment certificate for the Design and Documentation of Gatyanga Motorized piped water supply system in Rwimi Town Council worth UGX 23,540,492, was certified on 25<sup>th</sup> June 2024, but payment was made on 27<sup>th</sup> August 2024, exceeding the mandated 30-day payment period by 16 days.

#### **Implication**

Delayed payments affected St. Mary's Engineering Services Ltd.'s cash flow and could discourage them from participating in public procurement.



### **Management Response**

*The deadline for effecting payments is always 24<sup>th</sup> of June certifying the final payment certificate on 25<sup>th</sup> June after the deadline meant that payment could not be done on time.*

### **Recommendation**

The Accounting Officer should ensure that providers are paid within 30 days from certification of invoices, except where this is varied in the Special Conditions of the Contract in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

#### **2.3.4 Non-Compliance with contractual payment structure**

Regulation 42 (1) of the PPDA (Contract) Regulations, 2023, requires a Procuring and Disposing Entity to outline the payment structure in the contract. Regulation 52 (3) (a) (iii) of the PPDA (Contract) Regulations, 2023, requires the Contract Manager to ensure that a Procuring and Disposing Entity meets all their payment and other obligations in accordance with the terms and conditions of the signed contract.

The contract for the Design and Documentation of Gatyanga Motorized Piped Water Supply System, worth UGX 60,615,000, specified the following payment structure in Clause 25.1 of the Special Conditions of Contract. i.e., 30% of the contract price upon submission of the inception report, 30% upon completion of the feasibility study and preliminary designs, and 40% upon submission of the draft detailed design. However, this structure was not followed. Instead, a lump sum payment of UGX 57,584,250 was made to St. Mary's Engineering Services Ltd on 18th April 2024, upon submission of the draft detailed design.

### **Implication**

This non-compliance resulted in delayed payments to the contractor, potentially causing financial constraints and impacting the overall project timeline.

### **Management Response**

*The contractor made only one requisition of 60,615,000/= which was paid. There was no other payment from the contractor that was declined.*

### **Authority's Comment**

The Entity's response proves that the payment schedule stated in the contract was not followed hence the query was maintained.

### **Recommendation**

The Contract Manager should ensure that the Entity meets all their payment and other obligations following the terms and conditions of the signed contract in accordance with Regulation 52 (3) (a) (iii) of the PPDA (Contract) Regulations, 2023.

## 2.4 CONTRACT AUDIT INTO THE CONSTRUCTION OF NSUURA SEED SCHOOL

**Table 18: Contract details**

Contract Reference No.	MOES/UGIFT/WRKS/22-23/00003 Lot 9
Contract Title	Construction of Nsuura Seed Secondary School
Name of Contractor	Bresum Enterprises Ltd
Method of procurement	Open National Bidding
Type of Contract	Lump sum
Contract Price (UGX)	2,503,994,700
Contract Signing Date	19 <sup>th</sup> February 2024
Site handover date	29 <sup>th</sup> February 2024
Original Contract end date	18 <sup>th</sup> September 2025
Contract Period	18 calendar months
Time utilized	10 calendar months
Defects Liability Period	12 months
Project Manager	District Engineer
Progress as of 18 <sup>th</sup> December 2024	Time progress – 56% Physical progress - 45% (Estimated) Financial progress – 36%
<b>Payments made</b>	
Advance Payment	766,198,410
Certificate 1	152,820,000

The Authority found the following anomalies from the contract implementation:

### 2.4.1 Delay to submit a performance security

Clause 61.1 of the General Conditions of the Contract required the contractor to provide a Performance Security and an Environmental and Social (ES) Performance Security within 21 calendar days of signing the contract.

The Authority found that the contractor failed to meet the requirement. The contract was signed on 19<sup>th</sup> February 2024 and the 21 calendar days were due on 11<sup>th</sup> March 2024 but the contractor submitted the securities on 20<sup>th</sup> June 2024.

#### **Implication**

The Entity had no recourse for damages in case of contract non-performance from the contractor.

#### **Management Response**

*The entity wrote to the contractor who delayed to submit the Performance Security due to bank bureaucracies.*

#### **Recommendation**

The Contract Manager should ensure that the provider meets all the performance or delivery obligations following the terms and conditions of the signed contract in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contract) Regulations, 2023.

#### 2.4.2 Delay to commence the works

The Special Conditions of the Contract stated the contract start date as issuance of commencement letter from the employer. The Clerk of work's status update report dated 29<sup>th</sup> March 2024 indicated that the civil works had not commenced a month after the site handover. The inspection revealed that although the site had been commissioned and handed over on 29<sup>th</sup> February 2024, the contractor had not mobilized and started work a month later.

##### **Implication**

Delayed commencement affects the ability of the contractor to complete the works within the contracted time.

##### **Management Response**

*The Entity could not allow the commencement of work before receiving a Performance Security from the contractor. The delay to submit after writing to him delayed commencement of work.*


##### **Recommendations**

1. The Project Manager should explain why there was delayed commencement of the project.
2. The Project Manager should require the contractor to issue early warnings of any events that are likely to cause delayed completion and plans on how to handle the events for the Project Manager to issue resultant instructions in accordance with the early warning procedure in Clause 41 of the General Conditions of the Contract.






#### 2.4.3 Slow progress of works with unauthorized stoppages




The Authority found that as of 18<sup>th</sup> December 2024, Bresum Enterprises Ltd had achieved 45% of the contracted work, despite receiving 36% of the contract value. The project timeline had also overrun by 56%. This slow progress was attributed to unauthorized stoppages in work, as evidenced by a letter dated 17<sup>th</sup> September 2024 in which the Accounting Officer instructed the contractor to resume work after an unofficial absence from the site that resulted in works running behind schedule for more than 21 days without notice are shown in the Table below:

**Table 19: Current status of works**


No.	Element	Pending works	Pictorial representation
1.	Site Offices	In place	



No.	Element	Pending works	Pictorial representation
2.	Site hoarding and fencing	This has since collapsed and is not serving the purpose	
3.	Project Signage	In place	
4.	ICT & Library	Scaffolding and plastering, fixing of iron sheets, fixtures, doors, windows, flooring, earthing for lightening, gutters, plumbing works and painting.	 
5.	Administration Block	Fixing of iron sheets, door and window fixing, painting, fixtures, Earthing works, wiring, burglar proofs for windows.	

No.	Element	Pending works	Pictorial representation
			
6.	Multipurpose science laboratory	Completion of roofing, fixtures, doors and windows installation, floor works, installation of water tank, earthing for lightening, gutters, plumbing works and painting.	
7.	Two stance VIP Admin Latrine	Raising of walls, installation of doors, mechanical installations, and finishing	



No.	Element	Pending works	Pictorial representation
8.	Girls VIP Latrine	Wall raising, flooring, doors and windows, mechanical installations and wall finishing.	

### **Implication**

This has delayed the delivery of much-needed education services to the intended beneficiaries.

### **Management Response**

*The contractor resumed work since then and has been on steady progress. He has been advised to increase on the work force and carry out different activities concurrently to catch up with time, continuous monitoring is done and detailed progress reports are prepared.*

### **Recommendation**

The Accounting Officer should ensure that the construction of Nsuura Seed Secondary School is completed and handed over to the intended beneficiaries before June 2025 when the UGIFT program closes in accordance with Section 51 of the PPDA Act, Cap. 205.



## CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

### 3.1 Overall compliance inspection conclusion

The performance of Bunyangabu District Local Government for the financial year 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **40.6%**.

### 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 19 below:

**Table 19: Summary of performance of Bunyangabu District Local Government**

Risk category	No	No.%	Value	Value %	Weights	Total weighted Average	
						By No.	By Value
High	3	30	251,901,662	6.1	0.6	18	3.7
Medium	1	10	2,503,944,700	60.4	0.3	3	18.1
Low	3	30	1,217,501,200	29.4	0.1	3	2.9
Satisfactory	3	30	169,371,225	4.1	0	-	-
<b>Total</b>	<b>10</b>	<b>100</b>	<b>4,142,718,787</b>	<b>100</b>	<b>1</b>	<b>24</b>	<b>24.7</b>

$$\text{Performance by Number} = \frac{24 \times 100}{60} = 40$$

$$\text{Performance by Value} = \frac{24.7 \times 100}{60} = 41.2$$

$$\text{The average weighted risk rating} = \frac{40 + 41.2}{2} = 40.6$$

Since **40.6%** falls within the **31% - 70%** risk range, the performance of the Entity is rated *moderately satisfactory* as detailed in Table 20 below.

**Table 20: Risk rating**

Risk Rating	Description of Performance
0-30	Satisfactory
31-70	Moderately Satisfactory
71-100	Unsatisfactory

**Appendix 1: Inspection sample list for Financial Year 2023/2024**

No.	Ref. No	Procurement subject	Procurement method	Provider	Contract value	Risk rating
1.	Buny/823/Wrks/23-24/0001-02	Construction of Mahumbuli-Kabada community access road in Bunyangabu District(2km)	Open Domestic bidding	Shataman Contractors Ltd	490,938,500	Low Risk
2.	Buny823/Wrks/23-24/00001-01	Rehabilitation of Kanyansi-Bukiika-Kiboota-Mitandi-Kinyankende(4km) community access road	Open Domestic bidding	Shataman Contractors Ltd	436,562,700	Low risk
3.		Maintenance of Kibiito-Katugunda-Kasunganyanja Road 17.5km	Force account	Force account	290,000,000	Low risk
4.	Buny823/Wrks/23-24/	Construction of Nsuura Seed Secondary School in Kyamukube Town Council	Selective bidding	Bresum Enterprises Ltd	2,503,944,700	Medium risk
5.	Buny823/Wrks/23-24/00004	Construction of Kibiito Town Council Headquarters	Selective bidding	Serin and Son Services Ltd	96,556,000	High risk
6.	Buny823/Wrks/23-24/00024	Completion of Rubona Town Council Headquarters	Open Domestic Bidding	Kibiito Civil Works Ltd	94,730,662	High risk
7.	Buny823/Srvcs/23-24/00002	Design and documentation of Gatyanga Motorized piped water supply system in Rwimi T/C	Open Domestic Bidding	St. Mary's Engineering Services Ltd	60,615,000	High risk
8.	Buny823/Wrks/23-24/00030	Extension of Yerya GFS to Kyoga-Rwengabi to Buguzi in Kisomoro S/C	Open Domestic bidding	Martial Tech Ltd	57,373,225	Satisfactory
9.	MOH Supls/23-24/00001	Supply of medical equipment of Kateebwa Monument HC III	Open Domestic Bidding	N2M LTD	63,998,000	Satisfactory
10.	Buny622/Srvcs/23-24/00005	Revenue collection in Nyakigumba Market	Request for Quotation	Buheesi Banana Farmers Association	48,000,000	Satisfactory
<b>TOTAL</b>					<b>4,142,718,787</b>	

**Appendix 2: Risk Rating Criteria:**

<b>RISK</b>	<b>DESCRIPTION</b>	<b>AREA</b>	<b>IMPLICATION</b>
<b>HIGH</b>	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry 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".	<b>Planning:</b> Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		<b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability and value for money.
		<b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.
		<b>Record Keeping:</b> Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports and contracts.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		<b>Fraud/forgery:</b> Falsification of Documents	This implies a lack of transparency and value for money.
		<b>Contract Management:</b> Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries.
<b>MEDIUM</b>	Procurements that were considered to have	<b>Planning:</b> Lack of initiation of procurements and	This implies committing the Entity

RISK	DESCRIPTION	AREA	IMPLICATION
	weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.	confirmation of funds.	without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies a lack of efficiency, standardization and avoiding competition.
		<b>Procurement Structures:</b> Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		<b>Contract and Contract Management:</b> Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments 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	

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

#### **SATISFACTORY**

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