



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

**PROCUREMENT AND DISPOSAL COMPLIANCE INSPECTION  
REPORT FOR THE FINANCIAL YEAR 2021/22**

**MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**OCTOBER 2022**

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## **ACRONYMS**

AO	Accounting Officer
FY	Financial Year
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Mbarara University of Science and Technology that covered a representative sample of ten (10) procurement transactions in the Financial Year 2021/22. The inspection involved a review of the procurement system, procurement process and disposal.

The overall objective of the inspection was to assess and establish the degree of compliance of Mbarara University of Science and Technology's procurement system and processes with the provisions of the PPDA Act, 2003 as amended and PPDA Regulations, 2014 and to assess the level of procurement performance over the inspection period.

From the findings of the procurement compliance inspection exercise, the performance of Mbarara University of Science and Technology for the Financial Year 2021/22 was **satisfactory** with an overall weighted average risk rating of **46.8%** as per rating in table 10 in the report.

**Despite the Entity's satisfactory performance, the following key exceptions were noted:**

1. Four (4) procurements worth UGX 1,139,678,000 were conducted outside the procurement plan. The Entity is at risk of incurring domestic arrears arising from procuring outside the Entity's procurement plan.
2. Splitting of procurements whereby the Entity spent UGX 638,741,694 on procuring similar items within the same timeframe through both micro procurement and Request for Quotations.
3. Failure to attach specifications in two (2) procurements worth UGX 507,669,200. The User Departments and Procurement and Disposal Unit did not attach specifications at initiation and issue of the bidding document respectively. This implies that the items to be procured were not given a complete description hence affecting the bidders' ability to prepare responsive bids.
4. Passing a non-compliant bidder in the supply and delivery of a photocopier for IeDEA worth UGX 27,612,500. Kazinga Channel Office World should have been eliminated at the preliminary stage of evaluation for failure to present a valid PPDA certificate or trading license for the year 2021 and an inadequate delivery period. However, the bidder was evaluated as compliant and passed to the technical stage of evaluation. The Entity is at risk of contracting a supplier without the capacity to deliver.
5. Deviation from criteria stated in the bidding document by Evaluation Committee in the procurement for the renovation of containers to accommodate Health Child Office premises worth UGX 35,075,000. The Evaluation Committee unjustifiably excluded criteria stated in the bidding document and introduced new criteria at evaluation. This creates bias and unfairness which leads to reduced bidder confidence and participation in the bidding process.
6. Irregularities in the management of the procurement process for consultancy services in two worth UGX 507,223,800. The financial proposals for the bids were opened alongside the technical proposals and evaluated as evidenced by the evaluation reports. Furthermore, the Entity failed to display the record of the public opening of technical proposals as well as submit the technical evaluation report to Contracts Committee for approval prior to conducting the financial evaluation. These irregularities indicate capacity-building gaps in the Entity.



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

1. The Head Procurement and Disposal Unit should ensure to update the procurement plan to include emergency procurements and provisional budgets in accordance with Section 58 (4) of the PPDA Act, 2003 as amended.
2. The Head, Procurement and Disposal Unit should aggregate and procure the requirements for laboratory supplies, consumables, reagents, tonners, IT supplies and textbooks on a monthly basis or any other appropriate period of time in accordance with Regulation 5 of the PPDA (Procuring and Disposing Entities) Regulations 2014. Procurements should be aggregated for the Entity to benefit from economies of scale and attain value for money arising from increased competitiveness in the procurement processes.
3. The Heads of User Departments should ensure that statements of requirements are prepared with a complete description in accordance with Section 60 of the PPDA Act, 2003 as amended.
4. The Evaluation Committee(s) should ensure that bids that are not substantially compliant and responsive to the requirements in the solicitation documents are rejected in accordance with Regulation 16 (2) of the PPDA (Evaluation) Regulations, 2014.
5. Though the Evaluation Committee(s) may where necessary waive, clarify or correct any non-conformity or omission that does not constitute a material deviation where the bid is substantially compliant and responsive as stipulated in Regulation 11 of the PPDA (Evaluation) Regulations, 2014, they should exercise more caution regarding material requirements of a procurement.
6. The procurement and Disposal unit should always refer to Regulation 16 of the PPDA (procurement of consultancy services) Regulations, 2014 when procuring a single or sole consultant. The Accounting Officer should write to the Authority requesting for building capacity of his staff in accordance with the PPDA mandate under Section 6 (e) of the PPDA Act, 2003 as amended.

## CHAPTER 1: INTRODUCTION

### 1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Mbarara University of Science and Technology that covered a representative sample of ten (10) procurement transactions in the Financial Year 2021/22. The inspection involved a review of the procurement system, procurement process and disposal.

### 1.2. Overall Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Mbarara University of Science and Technology's procurement system and processes with the provisions of the PPDA Act, 2003 as amended and PPDA Regulations, 2014 and to assess the level of procurement performance over the inspection period.

The specific objectives of the compliance inspection of Mbarara University of Science and Technology were: -

1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 and the PPDA Regulations, 2014;
2. To establish the level of compliance with the PPDA Act, 2003 as amended and the PPDA Regulations, 2014 in the conduct of procurement and disposal activities; and
3. To assess the level of efficiency and effectiveness in contract implementation.

### 1.3. Compliance Inspection Scope

PPDA carried out the procurement and disposal compliance inspection of Mbarara University of Science and Technology which covered a sample of ten (10) procurement transactions worth **UGX 1,726,231,590** conducted during the FY 2021/2022, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex D**.

### 1.4. Compliance Inspection Methodology

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

During the Compliance Inspection, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place.

A debriefing meeting to clear all pending issues that arose during the compliance inspection was held with the Entity management and staff on **22<sup>nd</sup> August 2022** before the auditors could embark on the preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **2<sup>nd</sup> September 2022** with a request to submit a management response by **7<sup>th</sup> September 2022**, which was submitted on **12<sup>th</sup> September 2022**.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The compliance inspection report presents the key findings and conclusions arising from the compliance inspection.

### **1.5. Reporting**

Reporting is in a format which 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. The definition of the risk rating is in **Annex B**.



## CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS

### 2.1. COMPLIANCE WITH PROVISIONS OF THE PPDA ACT, REGULATIONS AND GUIDELINES

#### 2.1.1. Failure to fully implement PPDA recommendations from FY 2020/21

The Authority noted that only 50% of the previous recommendation were fully implemented leaving 50% not implemented.

Table 1: Implementation of PPDA recommendations

S/N	Recommended action plan	Status	Reasons
1.	The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance	Not implemented	There were procurements conducted outside the plan in 2021/22
<b>Response</b>	<i>The Accounting Officer delegated this role of procurement plan update to the PDU and its been established that there was a lapse in the 4<sup>th</sup> quarter of the financial year to update the plan and capture procurements for new grants. The PDU has been instructed to update the plan on a quarterly basis and report to the Accounting Officer.</i>		
2.	The Head, Procurement and Disposal Unit should aggregate and procure the requirements for laptops and desktop computers on a monthly basis or any other appropriate period of time in accordance with Regulation 5 of the PPDA (Procuring and Disposing Entities) Regulations 2014	Not implemented	This is still a prevailing issue noted in 2021/22
<b>Response</b>	<i>The PDU together with the ICT Unit has already started on the process of procuring a framework contract for ICT requirements following the previous audit recommendations and this will fully address the above recommendation.</i>		
3.	The Head, Procurement and Disposal Unit should desist from splitting of procurements contrary to Regulation 6 of the PPDA (Procuring and Disposing	Not implemented	This is still a prevailing issue noted in 2021/22



S/N	Recommended action plan	Status	Reasons
<b>Response</b>	<i>The lack of consolidation of procurements of similar nature arise from the implementation of multiple research projects that have differing planning periods and as such some similar requirements appear to have been split, when they actually arise from different user projects. However, the Entity has embarked a strategy to procure framework contracts for such items and a number of them like ICT Equipment, Toners &amp; Cartridges, Cleaning Materials, Assorted Stationery among others are being procured and we believe this will come a long way in addressing the issue of split procurements and hence enjoying the benefits of consolidation.</i>		
4.	The Head, Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 7 of the PPDA (Evaluation) Regulations, 2014	Not implemented	This is still a prevailing issue noted in 2021/22 sampled procurements
<b>Response</b>	<i>The evaluation committee waived the requirement given the circumstances i.e. one bidder responded out of the four contacted responded and there was a lot of pressure to re-locate the Health Child Uganda project offices from the Red Cross premises. The Entity found itself in a tight situation and had to do the needful in the circumstances.</i>		

#### **Implication**

This implies that the Entity did not have a mechanism for the implementation of recommendations.

#### **Management response**

*The Accounting Officer as highlighted in the table above, has clarified on the exceptions and taken note of the others that were not fully addressed as required. Progressively the Entity commits to fully implement the recommendations.*

### Recommendation

The Accounting Officer should ensure that all recommendations by the Authority are shared with all Departments of the Entity and institute a mechanism to ensure full implementation.

#### 2.1.2. Procurement plan implementation rate

The Authority assessed the Entity's procurement plan and the table below includes detailed information about the plan and budget utilization of funds. The procurement plan implementation rate was 98.2% with a variance of UGX 146,284,090.

Table 2: Procurement plan implementation rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	8,239,484,382
Total procurement spend value inclusive of VAT (UGX)	8,093,200,292
Procurement plan implementation rate	98.2%
Budget variance (UGX)	146,284,090

*Note: Though the above is a highly satisfactory performance, four (4) sampled procurements worth UGX 1,139,678,000 and equivalent to 13.8% of the plan were not in the plan but considered in the spend.*

### Implications

The above implies that the procurement and Disposal Unit failed to update the procurement plan and submit the same to the Authority.

The Entity is at risk of incurring domestic arrears arising from procuring outside the plan.

### Management response

- The Accounting Officer delegated this role of procurement plan update to the PDU and it has been established that there was a lapse in the 4<sup>th</sup> quarter of the Financial Year to update the plan and capture procurements for new grants. The PDU has been instructed to update the plan on a quarterly basis, submit to PPDA and report to the Accounting Officer as per the recommendation.
- The Entity experienced late release of the funds for the 4<sup>th</sup> quarter in the FY 2021-2022 and as such, some of the planned procurement activities could not be implemented as per the plan.

### Recommendations

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

- The Accounting officer should ensure that the procurement plan is updated on a quarterly basis and whenever necessary as stipulated under Section 58 (4) of the PPDA Act, 2003 as amended.
- The Procuring and Disposing Entity continue to deliver services with an aim of 100% procurement plan implementation rate in Financial Year 2022/23.

#### 2.1.3. Conducting procurements outside the procurement plan

The Authority reviewed the procurement plan against the sampled procurements and noted that the following procurements were conducted outside of the procurement plan.



Table 3: Procurements conducted outside the procurement plan

S/N	Subject of procurement	Amount (UGX)
1.	Renovation of containers to accommodate Health Child Office premises	35,075,000
2.	Purchase of manikins	95,748,400
3.	Nuaire Ultra Low freezer	64,991,600
4.	Supply of augmented infant resuscitator air device	463,119,200
<b>TOTAL</b>		<b>1,139,678,000</b>

Note: The above is based on the last updated plan submitted to the Authority dated 28<sup>th</sup> October 2021.

### Implication

This impacts on procurements that were actually planned for which may in turn lead to domestic arrears.

### Management response

The Accounting Officer delegated this role of procurement plan update to the PDU however, it's been established that there was a lapse in the 4<sup>th</sup> quarter of the financial year to update the plan and capture procurements for new grants. Moving forward, the PDU has been instructed to update the plan on a quarterly basis, submit to PPDA and report to the Accounting Officer as per the recommendation.

### Recommendation

The Authority notes the Entity's response and recommends that the Head Procurement and Disposal Unit should ensure to update the procurement plan to include emergency procurements and provisional budgets in accordance with Section 58 (4) of the PPDA Act, 2003 as amended.

#### 2.1.4. Reporting to the Authority

##### i) Submission of monthly reports

- a) The Authority noted that the Procurement and Disposal Unit does not attach Contracts Committee minutes to the monthly submissions as required under the PPDA Guidelines, 2014.
- b) The Authority noted that, the Procurement and Disposal Unit delayed to submit monthly reports to the Authority for the months noted in the table 4.

Table 4: Months with delayed submission to the Authority

Month	Submission date per the guidelines	Actual submission date	Delay (days)
August 2021	15 <sup>th</sup> September 2021	11 <sup>th</sup> October 2021	27
November 2021	15 <sup>th</sup> December 2021	14 <sup>th</sup> January 2022	31
June 2022	15 <sup>th</sup> July 2022	27 <sup>th</sup> July 2022	13



### **Implication**

Failure to submit reports on time and to submit Contracts committee minutes hinders the Authority from carrying out compliance assessment of the Entity.

### **Management response**

- *The Entity has taken note of the above requirement to submit Contracts Committee Minutes and shall do the needful going forward.*
- *The delays in submission of reports has been occasioned by limited manpower in the PDU and to address this gap, the Entity has engaged two graduate trainees who will be trained to close the gap.*

### **Recommendation**

The Entity should ensure that monthly reports are submitted to the Authority on time and to always attach Contracts Committee minutes to the reports in accordance with Guideline 6/2014 (1&2) of the PPDA (Monthly Reports on Procurement and Disposal) Guidelines, 2014.

#### **2.1.5. Splitting of procurements**

Regulation 6 of the PPDA (Procuring and Disposing Entities) Regulations states that *a Procuring and Disposing Entity shall not split up procurement requirements which can be procured as a single contract.*

The audit revealed that the Entity, through micro procurements and request for quotation, spent **UGX 638,741,694** on the following items. *Refer to Annex C for details.*

*Table 5: Total procurements amounts spent using non-competitive methods*

<b>S/N</b>	<b>Procurement category</b>	<b>Number of purchases made</b>	<b>Total amount spent (UGX)</b>
1.	Laboratory supplies, consumables and reagents	49	167,646,112
2.	Tonnors and IT supplies	94	410,147,402
3.	Textbooks	6	60,948,180
<b>TOTAL</b>			<b>638,741,694</b>

The audit further revealed that these procurements were not aggregated to benefit from economies of scale, an indicator that the Entity split procurements to avoid a more competitive procurement method.

### **Implications**

- The Entity is denied the benefits of efficiency and cost-effectiveness arising from economies of scale in the procurement of supplies.
- Splitting of procurements inhibits the attainment of value for money arising from increased competitiveness in the procurement processes.

### **Management response**

- *The Entity takes note of the exception and efforts are already underway to procure framework contracts for Laboratory supplies, consumables and reagents. Tonners and ICT Supplies.*
- *For textbooks, each Faculty previously budgeted and procurement their textbook requirements independently but beginning with FY 2022-2023, the entire textbooks budget has been consolidated under Library department. The intervention will entirely eliminate the above exception in this area.*

### **Recommendations**

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

- The Head, Procurement and Disposal Unit should aggregate and procure the requirements for laboratory supplies, consumables and reagents, tonners, IT supplies and textbooks on a monthly basis or any other appropriate period of time in accordance with Regulation 5 of the PPDA (Procuring and Disposing Entities) Regulations 2014.
- The Head, Procurement and Disposal Unit should desist from splitting of procurements contrary to Regulation 6 of the PPDA (Procuring and Disposing Entities) Regulations 2014.

## **1.2.LEVEL OF COMPLIANCE WITH THE PPDA LAWS IN THE CONDUCT OF PROCUREMENT AND DISPOSAL ACTIVITIES**

### **1.2.1. Compliance, transparency, accountability and fairness issues**

#### **i) Failure to attach specifications**

The Authority noted that the User Department did not attach specifications at initiation and neither did the Procurement and Disposal Unit attach the same in the issued bidding document in two (2) procurements worth UGX 507,669,200

*Table 6: Procurements without specification attached at initiation*

S/N	Subject of procurement	Contract amount (UGX)
1.	Supply and delivery of Office furniture	44,550,000
2.	Supply of augmented infant resuscitator air device	463,119,200
<b>TOTAL</b>		<b>507,669,200</b>

### **Implication**

Failure to attach detailed specifications implies that the object of procurement is not given a complete description, this affects bidders' ability to prepare responsive bids and hence hindering fairness and competition.

### **Management response**

*The specifications were provided for the items under consideration and the Entity has however noted their inadequacy during the audit exercise. Efforts shall be taken to ensure adequate specifications are provided for future procurements.*

### **Recommendation**

The Authority notes the Entity's response and recommends that the heads of User Departments should ensure that statement of requirements is prepared with a complete description in accordance with Section 60 of the PPDA Act, 2003 as amended.



### 1.2.2. Management of the procurement process for consultancy services

#### a) Opening of financial bids

Part 1: Proposal procedures – Opening of Proposals stated that “...Financial Proposals will be kept unopened and the evaluation committee shall have no access to financial information until the detailed evaluation is concluded”

In spite of the above, the financial proposals were opened alongside the technical proposals and evaluated as evidenced by the evaluation reports. This was noted in the following procurements:

Table 7: Procurements not compliant with the evaluation methodology

S/N	Subject of procurement	Contracts Amount (UGX)	Technical proposal opening date	Financial proposal opening date	Evaluation report date
1.	Provision of external audit services for MURTI	26,480,000	30 <sup>th</sup> July 2021	30 <sup>th</sup> July 2021	3 <sup>rd</sup> August 2021
2.	Consultancy services for supervision of FCI Phase 2	480,743,800	8 <sup>th</sup> December 2021 at 11:30 am	8 <sup>th</sup> December 2021 at 11:30 am	14 <sup>th</sup> December 2021
<b>TOTAL</b>		<b>507,223,800</b>			

#### b) Failure to display the record of the public opening of technical Proposals

The Authority noted that, the Procurement and Disposal Unit did not display the record of the public opening of technical proposals as stipulated under Regulation 16 (8) of the PPDA (procurement of consultancy services) Regulations, 2014. This was noted in the provision of external audit services for MURTI worth UGX 26,480,000.

#### c) Failure to submit the technical evaluation report to Contracts Committee for approval prior to conducting financial evaluation

The technical report signed on 3<sup>rd</sup> August 2021 was not submitted to the Contracts Committee for approval prior to conducting a financial evaluation on 3<sup>rd</sup> August as well. This was noted in the provision of external audit services for MURTI worth UGX 26,480,000.

#### Implication

The irregularities noted in the management of consultancy services indicate that there are capacity building gaps in the Entity.

#### Management response

*The above exception is noted and the Entity has largely been motivated by the need to obtain the consultant to meet certain timelines. Request for proposal documents were amended to inform the potential consultants that both financial and technical proposals would be opened at the same time. The Entity shall adhere to the above provisions for future procurements for consultancies.*



## Recommendations

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

- The procurement and Disposal unit should always refer to Regulation 16 of the PPDA (procurement of consultancy services) Regulations, 2014 when procuring a single or sole consultant.
- The Accounting Officer should write to the Authority requesting for building capacity of his personnel in accordance with the PPDA mandate under Section 6 (e) of the PPDA Act, 2003 as amended.

### 1.2.3. Issues noted during evaluation

#### i) Inadequate evaluation criteria

This was noted in the supply and delivery of the photocopier for IeDEA worth UGX. 27,612,500. Regulation 3 (1) of the National Information Technology Authority, Uganda (Certification of Providers of Information Technology Products and Services) Regulations, 2016, states that *"a person shall not provide information technology products or services unless that person is certified in accordance with the Act and these Regulations"*.

In light of the above, the Entity failed to include the requirement for a NITA U certificate as directed for the purchase of any IT requirements.

#### ii) Change of evaluation criteria by Evaluation Committee

This was noted in the renovation of containers to accommodate Health Child Office premises worth UGX 35,075,000. Part 1: Section 1, bidding procedures stated that *"Documents Evidencing Eligibility: bidders shall submit the following documents: -*

- a) a certificate of registration issued by the Authority for bidders currently registered with the Authority or a copy of the Bidder's Trading licence or equivalent and a copy of Bidder's Certificate of Registration or equivalent for bidders not currently registered with the Authority;*
- b) Evidence of fulfillment of obligations to pay taxes and social security contributions in Uganda where applicable*
- c) Any other relevant documentation.*

However, the Evaluation Committee unjustifiably excluded criteria b and introduced new criteria (powers of attorney).

#### iii) Passing a non-compliant bidder

Though Kazinga Channel Office World was not the best evaluated bidder, the bidder was evaluated as compliant in the supply and delivery of photocopier for IeDEA worth UGX 27,612,500.

Table 8: Passing a non-compliant bidder

Requirement per criteria	Requirement provided by bidder
Delivery period of 2 weeks from the date of purchase order	Delivery period of 3-4 weeks from the date of purchase order
Valid trading license for the year 2021	Valid trading license for the year 2020
Valid PPDA certificate	2020 PPDA certificate

### Implications

- Failure to consider criteria that tells the provider's capacity may lead to contracting a supplier without the capacity to deliver
- Deviation from the criteria stated in the bidding document during the evaluation process is an act intended to favour a particular bidder creating biases and unfairness which leads to reduced bidder confidence and participation in the bidding process.

### Management response

- *The recommendation for requirement of NITA-U certificate in this particular case happened in the previous audit recommendations and the procurement for this Photocopier was already ongoing and could not be reversed or introduced along the way. The Entity took note and subsequent procurements strictly adhered to this requirement.*
- *In case of deviation by providing waivers, the intention is to encourage participation and not to favor certain bidders otherwise the same bidder would have been recommended for award. You note that the waivers were not in any way detrimental to other bidders.*

### Recommendations

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

- The Evaluation Committee(s) should ensure that bids that are not substantially compliant and responsive to the requirements in the solicitation documents are rejected in accordance with Regulation 16 (2) of the PPDA (Evaluation) Regulations, 2014.
- Though the Evaluation Committee(s) may where necessary waive, clarify, or correct any non-conformity or omission that does not constitute a material deviation where the bid is substantially compliant and responsive as stipulated in Regulation 11 of the PPDA (Evaluation) Regulations, 2014, they should exercise more caution regarding material requirements of a procurement.
- The Evaluation Committee(s) should ensure that the evaluation is conducted based on the evaluation criteria set in the bidding document and in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.

## 1.3.ASSESS THE LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION

### 1.3.1. Efficiency issues in the conduct of procurements

#### i) Delayed delivery

The Authority noted that there was an average delay period of 26.5 working days between the contractual and actual delivery date in two (2) procurements worth UGX 72,162,500 (see details below).

Table 9: Delayed delivery

S/N	Subject of procurement	Contract value (UGX)	Contractual delivery date	Actual delivery date	Delay (working days)
1.	Supply and delivery of photocopier for IeDEA	27,612,500	26 <sup>th</sup> August 2021	27 <sup>th</sup> September 2021	23



S/N	Subject of procurement	Contract value (UGX)	Contractual delivery date	Actual delivery date	Delay (working days)
2.	Supply and delivery of Office furniture for UCoBs	44,550,000	4 <sup>th</sup> April 2022	19 <sup>th</sup> May 2022	30
<b>TOTAL/AVERAGE</b>		<b>72,162,500</b>			<b>26.5</b>

### **Implication**

Delayed delivery by a supplier leads to delayed service delivery to the intended beneficiaries which could lead to low budget absorption due to non-payment of providers by the end of the financial year.

### **Management response**

- *In the case of the supply and delivery of a photocopier for the IeDEA Project, the supplier established that the required model had run out of stock and he notified the PDU and offered an alternative model. The same request was submitted to Contracts Committee for consideration and it was rejected and as such the supplier required more time to source for the earlier contracted model and because of that the delivery process had to be delayed.*
- *The entity takes note and contract management shall focus on ensuring that timelines are adhered to.*

### **Recommendations**

- The Accounting Officer should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003 as amended.
- The contract manager(s) should ensure that providers meet all performance or delivery obligations in accordance with the terms and conditions of a contract as stipulated under Regulation 53 (3) (i) of the PPDA (contracts) Regulations, 2014.



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

This chapter will present graphically the scores per area assessed under different inspection questions.

#### 3.1 Overall Compliance Inspection Conclusion

The performance of Mbarara University of Science and Technology was **Satisfactory** with an overall weighted average risk rating of 46.8% as detailed below:

#### 3.2 Entity's Performance

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

Table 11: Entity's performance

Risk Category	Number of sampled procurements	Value (UGX)	Rating by No. %	Rating by Value%	Weights %	Total Weighted Score	
High	4	223,427,590	40	12.9	0.6	24	7.7
Medium	2	943,863,000	20	54.6	0.3	6	16.3
Low	2	71,030,000	20	4.1	0.1	2	0.4
Satisfactory	2	487,911,000	20	28.2	0	0	0
<b>Total</b>	<b>10</b>	<b>1,726,231,590</b>	<b>100</b>	<b>100</b>	<b>1</b>	<b>32</b>	<b>24.4</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{32}{60} \times 100 = 53\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{24.4}{60} \times 100 = 41\%$$

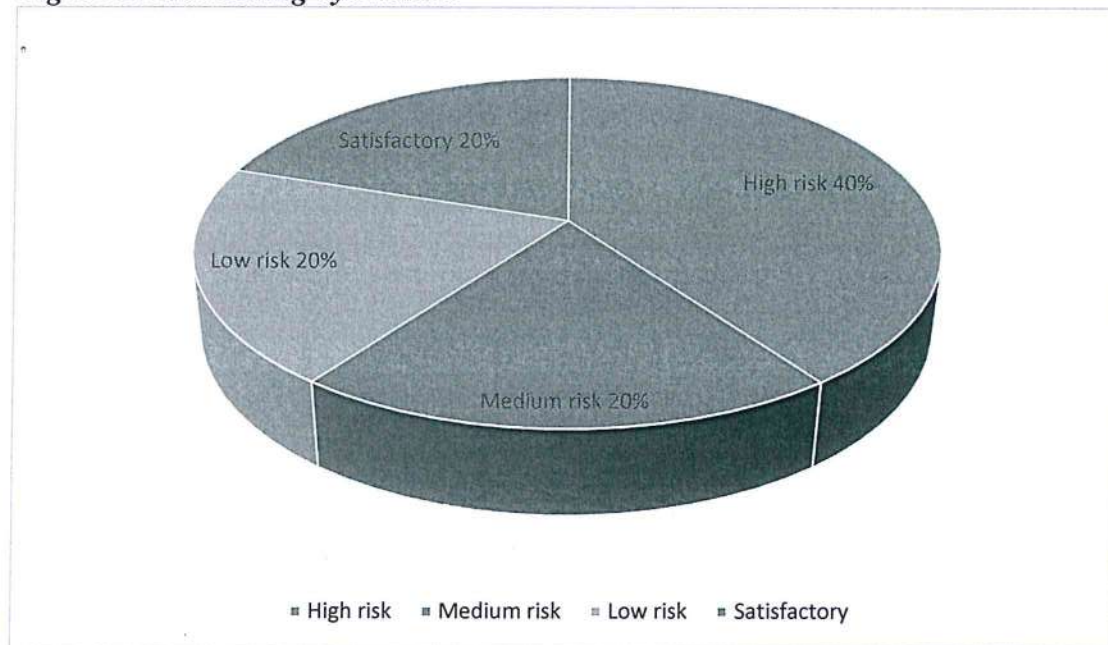
$$\text{Combined Weighted Average} = \frac{36+31}{2} = 46.8\%$$

Since 46.8% falls within the 21% - 50% risk range, the performance of the Entity is rated **Satisfactory** as detailed in Table 12.

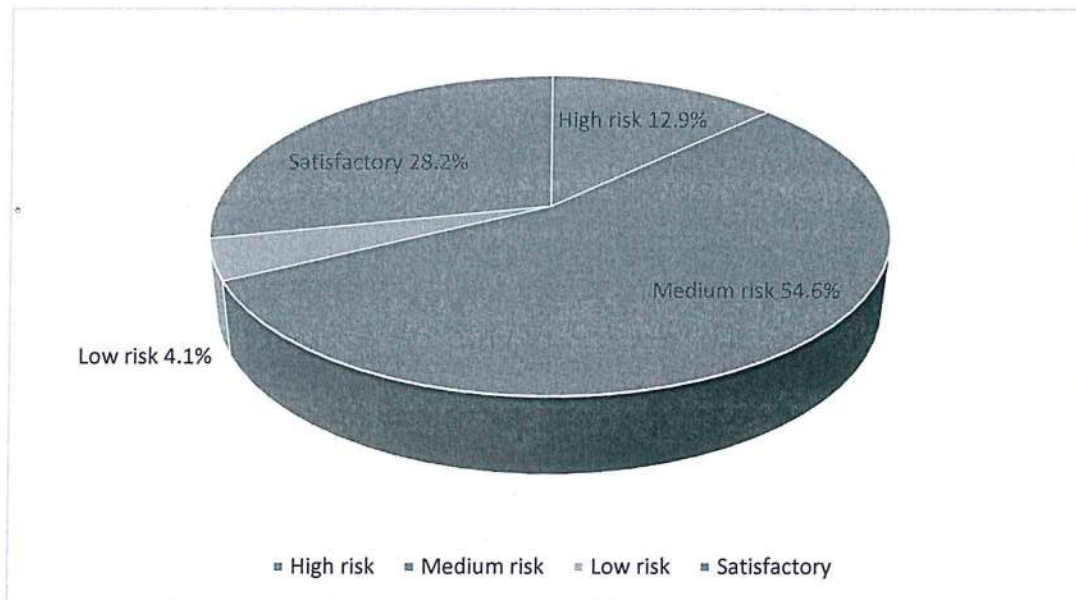
Table 12: Risk rating

Risk Rating	Description of Performance
0-20%	Highly Satisfactory
21-50%	Satisfactory
51-80%	Unsatisfactory
81-100%	Highly Unsatisfactory

**Figure 1: Risk Rating by Number**



**Figure 2: Risk Rating by Value**



### 3.3 Recommended Action Plan

Mbarara University of Science and Technology should implement the following recommendations within the timeframe given to improve its performance in Procurement and Disposal.

*Table 13: Recommended Action plan*

No.	Recommended Action	Target Date
1.	The Accounting officer should ensure that the procurement plan is updated on a quarterly basis and whenever necessary as stipulated under Section 58 (4) of the PPDA Act, 2003 as amended.	December 2022
2.	The Head, Procurement and Disposal Unit should aggregate and procure the requirements for laboratory supplies, consumables, and reagents, tonners, IT supplies and textbooks on a monthly basis or any other appropriate period in accordance with Regulation 5 of the PPDA (Procuring and Disposing Entities) Regulations 2014.	December 2022
3.	The Procurement and Disposal Unit should always refer to Regulation 16 of the PPDA (procurement of consultancy services) Regulations, 2014 when procuring a single or sole consultant.	December 2022
4.	The Evaluation Committee(s) should ensure that bids that are not substantially compliant and responsive to the requirements in the solicitation documents are rejected in accordance with Regulation 16 (2) of the PPDA (Evaluation) Regulations, 2014.	December 2022
5.	Though the Evaluation Committee(s) may where necessary waive, clarify, or correct any non-conformity or omission that does not constitute a material deviation where the bid is substantially compliant and responsive as stipulated in Regulation 11 of the PPDA (Evaluation) Regulations, 2014, they should exercise more caution regarding material requirements of a procurement.	



**ANNEXES:****Annex A: Findings and Rating on the Individual Contracts Reviewed**

<b>S/N</b>	<b>HIGH-RISK CONTRACTS</b>	<b>REASONS FOR HIGH RISK</b>
1.	Renovation of containers to accommodate Health Child Office premises worth UGX 35,075,000	<ul style="list-style-type: none"> <li>• Procuring outside the Entity's procurement plan</li> <li>• Change of evaluation criteria</li> </ul>
2.	Photocopier for IeDEA worth UGX 27,612,590	<ul style="list-style-type: none"> <li>• Inadequate evaluation criteria</li> <li>• Passing non-compliant bidder</li> <li>• 23 working days' delayed delivery</li> </ul>
3.	Nuaire Ultra Low freezer worth UGX 64,991,600	<ul style="list-style-type: none"> <li>• Procuring outside the Entity's procurement plan</li> </ul>
4.	Purchase of manikins worth UGX 95,748,400	<ul style="list-style-type: none"> <li>• Procuring outside the Entity's procurement plan</li> </ul>

<b>S/N</b>	<b>MEDIUM RISK CONTRACTS</b>	<b>REASONS FOR MEDIUM RISK</b>
5.	Purchase of Augmented Infant Resuscitator worth UGX 463,119,200	<ul style="list-style-type: none"> <li>• Failure to attach specifications</li> </ul>
6.	Consultancy services for supervision of FCI Phase 2 worth UGX 480,743,800	<ul style="list-style-type: none"> <li>• Failure to display the record of the public opening of technical Proposals</li> <li>• Failure to submit the technical evaluation report to Contracts Committee for approval before conducting financial evaluation</li> </ul>
<b>No.</b>	<b>LOW-RISK CONTRACTS</b>	<b>REASONS FOR LOW RISK</b>
7.	Supply of furniture-UCOBS worth UGX 44,550,000	<ul style="list-style-type: none"> <li>• 30 working days' delayed delivery</li> </ul>

8.	Provision of external audit services for MURTI worth UGX 26,480,000	<ul style="list-style-type: none"> <li>Failure to submit the technical evaluation report to Contracts Committee for approval before conducting financial evaluation.</li> </ul>
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S/N	SATISFACTORY
9.	Supply of 16 seater van for MUDSReH worth UGX 235,365,000
10.	Supply of Visual Field Machine UGX 252,546,000

#### Annex B: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
<b>HIGH</b>	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management.  Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	<b>Planning:</b> Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		<b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability and value for money.
		<b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct the 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 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.
		<b>Fraud/forgery:</b> Falsification of Documents	This implies a lack of transparency and value for money.



RISK	DESCRIPTION	AREA	IMPLICATION
		<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 weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls are put in place. Such procurements	<b>Planning:</b> Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies a lack of efficiency, standardization and avoiding competition.
	would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.	<b>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	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.

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>notices of Best Evaluated Bidders.</p> <p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	<p><b>Planning:</b> Lack of procurement reference numbers.</p> <p><b>Bidding Process:</b> Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p> <p>This leads to failure to declare conflict of interest and lack of transparency.</p>

### **SATISFACTORY**

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



**Annex C: Table: Split micro procurements for the period of January 2021-June 2021**

S/No	Subject of Procurement	Value (UGX)
<b>Laboratory supplies, consumables and reagents</b>		
1.	Lab supplies – Labora Meds (U) Ltd – 2 <sup>nd</sup> June 2022	4,860,000
2.	Lab consumables - Labora Meds (U) Ltd – 2 <sup>nd</sup> June 2022	2,330,000
3.	Reagents for ACT*5 Diff – Hospi Medical Engineering – 2 <sup>nd</sup> June 2022	2,163,000
4.	Laboratory consumables - Labora Meds (U) Ltd – 2 <sup>nd</sup> June 2022	2,710,000
5.	Reagents for Av480 – Technomed Ltd – 2 <sup>nd</sup> June 2022	4,137,488
6.	Reagents for Av480 Analyzer – Technomed Ltd – 2 <sup>nd</sup> June 2022	3,523,001
7.	Laboratory consumables for SARA – PC World computers – 20 <sup>th</sup> June 2022	1,432,000
8.	Laboratory supplies – MACT – Acculab Consult – 15 <sup>th</sup> June 2022	5,300,000
9.	Laboratory consumables FOM - Labora Meds (U) Ltd – 10 <sup>th</sup> June 2022	4,980,000
10.	Laboratory teaching materials FOM - Labora Meds (U) Ltd – 10 <sup>th</sup> June 2022	3,000,000
11.	Laboratory supplies FOM - Labora Meds (U) Ltd – 10 <sup>th</sup> June 2022	2,997,000
12.	Laboratory supplies FOM - Labora Meds (U) Ltd – 13 <sup>th</sup> June 2022	3,800,000
13.	Laboratory teaching materials FOM - Joint Medical Stores – 13 <sup>th</sup> June 2022	3,000,854
14.	Laboratory reagents – Medilab Uganda Ltd – 13 <sup>th</sup> June 2022	3,687,500
15.	Lab equipment – Chemmart Uganda Ltd – 9 <sup>th</sup> May 2022	4,500,000
16.	Laboratory consumables SARA - Labora Meds (U) Ltd – 9 <sup>th</sup> May 2022	4,810,000
17.	Laboratory consumables SARA - Labora Meds (U) Ltd – 9 <sup>th</sup> May 2022	4,910,000
18.	Lab supplies – IeDEA – Joint Medical Stores – 9 <sup>th</sup> May 2022	2,344,273
19.	Laboratory supplies TRAC - Labora Meds (U) Ltd – 9 <sup>th</sup> May 2022	920,000
20.	Lab supplies MEMOF – Chemmart Uganda Ltd – 18 <sup>th</sup> May 2022	3,996,000
21.	Lab supplies SARA – Chemmart Uganda Ltd – 23 <sup>rd</sup> May 2022	1,375,000
22.	Lab supplies SARA – Chemmart Uganda Ltd – 23 <sup>rd</sup> May 2022	4,800,000
23.	Lab supplies – HAY – Joint Medical Stores – 23 <sup>rd</sup> May 2022	1,550,000
24.	Lab supplies SARA - Labora Meds (U) Ltd – 25 <sup>th</sup> May 2022	1,600,000
25.	Lab supplies – IeDEA – Precise Diagnostic – 25 <sup>th</sup> May 2022	3,736,000
26.	Laboratory reagents FOM - Labora Meds (U) Ltd – 17 <sup>th</sup> May 2022	4,955,000
27.	Laboratory reagents FOM - Labora Meds (U) Ltd – 23 <sup>rd</sup> May 2022	4,955,000
28.	Laboratory reagents FOM - Labora Meds (U) Ltd – 23 <sup>rd</sup> May 2022	4,955,000

**Annex D: Sample List for Mbarara University of Science and Technology FY 2021/2022**

S/N	Reference Number	Subject of procurement	Method of Procurement	Provider	Contract Amount (UGX)	Rating
1.	MUST/SUPLS/2 021-22/06961	Photocopier for leDEA	Request for Quotation	Comtec Systems Ltd	27,612,590	High risk
2.	MUST/CSVCS/2 021-22/00011	Provision of external audit services for MURTI	Request for Quotation	BDO East Africa Ltd	26,480,000	Low risk
3.	MUST/SUPLS/2 021-22/07144	Supply of 16 seater van for MUDSReH	Open Domestic Bidding	Motor Care (U) Ltd	235,365,000	Satisfactory
4.	MUST/SUPLS/2 021-22/07172	Supply of Visual Field Machine	Open Domestic Bidding	Matrix Resources Ltd	252,546,000	Satisfactory
5.	MUST/SUPLS/2 021-22/07445	Supply of furniture- UCOBS	Request for Quotation	Footsteps Furniture	44,550,000	Low risk
6.	MUST/WRKS/20 21-22/00061	Renovation of containers to accommodate Health Child Office premises	Request for Quotation	Gapa Engineering Ltd	35,075,000	High risk
7.	MUST/NSCVS/2 021-22/00015	Consultancy services for supervision of FCI Phase 2	Direct procurement	Oubuntu Consulting Ltd	480,743,800	Medium risk
8.	MUST/SUPLS/2 021-22/07465	Nuaire Ultra Low freezer	Direct procurement	Lasec International (PYT)	64,991,600	High risk
9.	MUST/SUPLS/2 021-22/07416	Purchase of manikins	Direct procurement	Laerdal Global health	95,748,400	High risk
10.	MUST/SUPLS/2 021-22/07539	Purchase of Augmented Infant Resuscitator	Direct procurement	EB Innovation LLC	463,119,200	Medium risk
<b>TOTAL</b>					<b>1,726,231,590</b>	