



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

**REPORT ON COMPLIANCE AUDIT OF NATIONAL AGRICULTURAL  
RESEARCH ORGANISATION FOR FINANCIAL YEAR 2021/2022**

**DECEMBER 2022**

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## Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
GCC	General Conditions of Contract
HPDU	Head, Procurement and Disposal Unit
NARO	National Agricultural Research Organisation
NOBEB	Notice of the Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFP	Request for Proposals
SBD	Standard Bidding Document
SCC	Special Conditions of Contract

## **EXECUTIVE SUMMARY**

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit of your Entity that covered ten (10) procurements for the Financial Year 2021/22. The overall objective of the audit was to assess and establish the degree of compliance of National Agricultural Organization Authority\* procurement and disposal system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2014 and assess the level of performance over the period under review.

From the findings of the procurement and disposal audit exercise, the performance of National Agricultural Organization Authority (NARO) for the Financial Year 2021/22 was **satisfactory** with an overall weighted average risk rating of **11.7%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

### **Despite the satisfactory performance, the following exceptions were noted:**

1. Procurements worth UGX 25,770,079,182, representing 38% of the planned procurements were not implemented, thus depriving service delivery to the intended beneficiaries.
2. In two procurements worth UGX 5,745,956,683, there were delays at some stages of the procurement process; such as delayed adjudication by the Contracts Committee and delays in making submissions to the Contracts Committee, which delays service delivery to the intended beneficiaries.
3. Inconsistencies in the bidding document in the procurement of supply, installation and training of a floating fish feed manufacturing equipment. These included; differing bid validity period stated in the bid notice from the one stated in the bid data sheet, the number of lots stated in the bid data sheet varied from the number stated in the list of supplies and related services. Such inconsistencies could lead to bidders submitting non-responsive bids.
4. Delayed contract implementation by more than six months in the procurement of Consultancy Services for design & preparation of Bills of Quantities (BoQS for projects at Nasarri, Rwebitaba, Buginyanya, Ngetta, Kigumba, Maruzi) worth UGX 194,700,000.

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

1. The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity. In the event that amendments are made to the departmental work plans due to prevailing circumstances, User Departments should inform the Head Procurement and Disposal Unit to update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended.



2. The Accounting Officer should ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003 as amended in order to minimise delays in the procurement process.
3. The Contracts Committee and Procurement and Disposal Unit should continuously quality assure the bidding documents to ensure that there are no inconsistencies between the different sections of the bidding document.
4. In execution of their role as per Regulation 53 (1) a & b of the PPDA (Contracts) Regulations, 2014, the Contract Managers should ensure that contract supervision is effectively carried out to ensure that terms and conditions of the contract are met by the providers.

## CHAPTER 1: INTRODUCTION

### 1.1 Structure of the Entity

National Agricultural Research Organisation (NARO) is an agency of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) with the mandate to coordinate all aspects of public-funded agricultural research in Uganda.

NARO is mandated to undertake research in all aspects of agriculture including crops, livestock, fisheries, forestry, agro-machinery, natural resources and socio-economics.

According to Section 26 of the PPDA Act, 2003 as amended, the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity is the Accounting Officer. The Accounting Officer of the Agency during the financial year under review was Dr. Ambrose Agona.

The Permanent Secretary/Secretary to Treasury of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who also acted during the period under review:

**Table 1: List of Contracts Committee members**

No	Name	Job Title	Committee Person	Appointment Date
1.	Dr. Gertrude Atukunda	Socio-Economist/Research	Chairperson	13 <sup>th</sup> January 2022
2.	Victoria Mbigidde	Knowledge Management Officer	Secretary	21 <sup>st</sup> November 2019
3.	Dr. Ddamulira Gabriel	Senior Research Officer	Member	13 <sup>th</sup> January 2022
4.	Dr. Drake Mubiru	Principal Research Officer	Member	21 <sup>st</sup> November 2019
5.	Ms. Faith Nyamwenge	Commissioner LAS/MoJCA	Member	21 <sup>st</sup> November 2019

According to Section 31 (a) of the PPDA Act, 2003 as amended all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Ms. Eva Nakiguli.

### 1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out the compliance audit of National Agricultural Research Organisation that covered a representative sample of ten (10) procurement transactions under the Financial Year 2021/22. The audit involved a review of the procurement structure, procurement processes, as well as contract performance

following the provisions of the Public Procurement and Disposal of Assets Act, 2003 as amended and Central Governments (PPDA) Regulations, 2014.

### 1.3 Main Objectives

The overall objective of the compliance audit was to assess and establish the degree of compliance of National Agricultural Research Organisation' procurement system and processes with the provisions of the PPDA Act, 2003 as amended and the Central Governments (PPDA) Regulations, 2014 and assess the level of procurement and disposal performance over the period.

The specific objectives were to establish:

- The level of compliance by the Entity with the general provisions of the PPDA Act and Regulations;
- The level of compliance with the PPDA Act, 2003 as amended in the conduct of procurement and disposal activities; and
- The level of efficiency and effectiveness in contract implementation.

### 1.4 Compliance Audit Scope

The audit involved a review of the procurement process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of ten (10) procurement transactions under Financial Year 2021/22. The list of sampled transactions is contained in **Appendix 2**.

**Table 2: The distribution of the transaction population and sample**

Population			Sample		Percentages	
Procurement Method	Number	Value (UGX)	Number	Value (UGX)	% Number	% Value
Request for Proposals without EOI	15	567,890,000	2	391,494,500	13.3	68.9
Open Bidding	10	15,657,000,000	1	14,844,461,015	10	94.8
Restricted Domestic Bidding	23	8,150,300,000	7	7,604,079,174	30.4	93.3
Request for Quotations	87	456,780,000	-	-	-	-
Micro Procurements	54	53,500,000	-	-	-	-
Total	189	24,885,470,000	10	22,840,034,690	5.29	91.7



### **1.5 Compliance Audit Methodology**

Records and documents for each sampled procurement were examined and relevant evidence obtained to derive audit conclusions. This involved a review of the Entity's procurement planning, initiation, bidding, evaluation, contract placement and implementation.

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

The audit exercise commenced with an entry meeting on 23<sup>rd</sup> September 2022. A debrief meeting to clear all pending issues that arose during the audit was held with the Entity's representatives before the auditors could embark on preparation of the management letter which was sent out on 14<sup>th</sup> November 2022. Management responses were submitted on 21<sup>st</sup> November 2022.

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



## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.1 Compliance by the Entity with the general provisions of the PPDA Act, 2003 as amended and Regulations, 2014

#### 2.1.1 Procurement plan implementation

Assessment of the procurement plan and utilization of funds revealed that the procurement plan implementation rate of the Entity for FY 2021/22 was 62% as summarized in Table 3 below:

**Table 3: Analysis of procurement spend for FY 2021/22**

Total procurement plan value, inclusive of VAT (UGX)	67,568,565,811
Total procurement spend value inclusive of VAT (UGX)	41,798,486,624
Procurement plan implementation rate (%)	62%
Variance (UGX)	25,770,079,182

#### **Implication**

Procurements worth UGX 25,770,079,182 were not implemented which deprived service delivery to the intended beneficiaries.

#### **Recommendations**

- The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity.
- In the event that amendments are made to the departmental work plans due to prevailing circumstances, User Departments should inform the Head Procurement and Disposal Unit to update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003.

#### **Management response**

The Entity received UGX 41,798,486,624 and spent 100% by closure of financial year, procurement processes for planned procurements were completed, however contracts were not signed as a result of insufficient release of funds from Treasury.

The Head Procurement and Disposal Unit has been requested to conduct a review of the procurement plan in consultation with the user department and harmonize it with the existing circumstances at the entity in the subsequent financial year.

#### 2.1.2 Implementation of Previous Audit Recommendations for FY 2018/19

The Authority conducted a Performance Audit for the financial year 2018/2019. Out of the seven (7) recommendations made, six (6) were fully implemented representing 85.7% while one (1) was partially implemented, representing 14.3%. These are listed in Table 4 below:

**Table 4: Status of implementation of Audit Recommendations for FY 2018/19**

No.	Recommendation	Status of Implementation
1.	All procurements planned and budgeted for should be undertaken. However, where need requires, a review of the plan and budget should be done in accordance with Section 58(4) of the PPDA Act, 2003.	Partially Implemented
2.	The Accounting Officer should ensure that before payment of the providers is effected, invoices are scrutinized for tax compliance.	Implemented
3.	The Procurement and Disposal Unit should ensure that all bidders are issued with bid invitation notices and maintain evidence of receipt by the invited bidders.	Implemented
4.	The Accounting Officer should ensure that procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003.	Implemented
5.	The Accounting Officer should ensure that where performance security is required, it is enforced accordingly as per Regulation 12 of the PPDA (Contracts) Regulations, 2014.	Implemented
6.	Contract Managers should monitor closely the progress of contract implementation to ensure that providers meet all performance or delivery obligations as per the terms and conditions of a contract in accordance with Regulation 53 (3) (a) (i) of the PPDA (Contracts) Regulations, 2014.	Implemented
7.	The Evaluation Committees should ensure adherence to the evaluation criteria set in the solicitation documents in accordance with Regulation 16 of the PPDA (Evaluation) Regulations, 2014	Implemented

**Implication**

Failure to fully implement the Authority's recommendations affects the performance of the procurement and disposal function in the Entity.

**Recommendation**

The Accounting Officer should ensure that all the Authority's recommendations are fully implemented in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

**Management response**

The Head Procurement and Disposal Unit has been tasked to ensure that all partially implemented recommendations are fully addressed in subsequent procurements.



### 2.1.3 Efficiency in the Procurement Process

Section 43 (e) of the PPDA Act, 2003 provides that all procurements should be conducted in a manner that promotes economy and efficiency. The Accounting Officer is charged with the overall responsibility for the execution of the procurement and disposal process in the Entity. The Authority however observed that there were delays across some stages of the procurement process as shown in table 5 below:

**Table 5: Delays in the Procurement Process**

No	Subject of Procurement	PPDA Findings	Management Response
1.	Supply and installation and training of a Floating Fish Feed Manufacturing Equipment under Lot 1 and a Generator under Lot 2 at Kajjansi Aquaculture Research and Development Centre by Palin Corporation Ltd worth USD 455,001- Lot 1 and Great British Pound (GBP) 80- Lot 2	Delayed Contracts Committee decision on award. Evaluation was concluded on 19 <sup>th</sup> October 2020 but the Contracts Committee approved award on 25 <sup>th</sup> November 2020 <b>causing a delay of 1 month and 6 days.</b>	The delays in the system were as a result of lack of quorum during the Covid-19 Pandemic
2.	Supply of Tea Research Laboratory Equipment by Palin Corporation Ltd worth Ugx 3,516,956,683	Delay by the Procurement and Disposal Unit to make a submission to the Contracts Committee to review and approve the method of procurement, the Bidding Document, the shortlist and nominees to the Evaluation Committee. The Accounting Officer approved the procurement on 12 <sup>th</sup> October 2021, and the Procurement and Disposal Unit made the submission for approval to the Contracts Committee on 12 <sup>th</sup> November 2021, <b>causing a delay of 1 month.</b>	The delay was as a result of the users re-visiting their submission and scaling down of items as a result of insufficient budget release.

#### Implication

Delays in the procurement process create a lengthy lead time which consequently impedes timely service delivery.

### **Recommendation**

The Authority noted the Entity's response and recommends that the Accounting Officer should ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003.

## **2.2 Compliance with the PPDA Act, 2003 as amended and Regulations, 2014 in the conduct of procurement and disposal activities**

### **2.2.1 Inconsistencies in the Bidding Document**

The Authority observed the following inconsistencies in the bidding document for the procurement of supply, installation and training of a floating fish feed manufacturing equipment under Lot 1 and a generator under Lot 2 at Kajjansi Aquaculture Research and Development Centre by Palin Corporation Ltd worth USD 455,001 and Great British Pound (GBP) 80 respectively:

- i. The bid notice stated that the bid security was valid up to 19<sup>th</sup> March 2021 whereas Section 2 Bid Data Sheet ITB 21.3 stated that the bid security was valid up to 6<sup>th</sup> April 2021.
- ii. Section 2 Bid Data Sheet ITB 1.1 states that the bidding document should comprise of only 1 Lot however, the list of supplies and related services comprises of Lot 1 and Lot 2.
- iii. Under the Delivery and Completion Schedule, delivery and completion period was 3-4 months whereas the Special Conditions of Contract (SCC) under Special Conditions GCC 12 delivery period was three (3) months.

### **Implications**

- There is a risk of unfair elimination of bidders at evaluation which may consequently lead to unnecessary legal issues.
- Lack of clarity in the Solicitation Document inhibits the bidders' ability to prepare and submit responsive bids.
- Inconsistencies in the Bidding Document may also lead to disagreements which create unnecessary delays in the procurement process.

### **Recommendation**

The Authority noted the Entity's response and recommends that the Contracts Committee and Procurement and Disposal Unit should continuously quality assure the bidding documents to ensure that there are no inconsistencies.

### **Management response**

The Head of Procurement and Disposal Unit and the Contracts Committee have been tasked to ensure that all documentation is proof read to avoid inconsistencies.



### 2.2.2 Low Bidder Participation

The Authority noted that the Entity received less than three (3) bids in three (3) procurements worth UGX 4,250,529,297 as indicated in table 6 below:

**Table 6: Procurements with Low Bidder Participation**

No	Subject of Procurement	Procurement Method	Contract value (UGX)	Irregularities
1.	Supply of Tea Research Laboratory Equipment by Palin Corporation Ltd	Restricted Bidding	3,516,956,683	Out of the five (5) bidders invited only two (2) bids were received from Palin Corporation and JVV Global Management Corporation.
2.	Renovation and remoulding of Bugusege Guest House into staff residential house by Khoga Ltd	Restricted Bidding	242,919,284	Out of the four (4) bidders invited only two (2) bids were received from Khoga Ltd and Laplace Technical Services Ltd
3.	Proposed construction of Aquatic Diagnostic Laboratory at Kajjansi by Mascot Group Ltd	Restricted Bidding	490,653,330	Out of the four (4) bidders invited only two (2) bids were received from Zebra Associates Ltd and Mascot Group
<b>TOTAL</b>			<b>4,250,529,297</b>	

#### **Implication**

This may be an indicator of low confidence of bidders in the procurement system thus affecting achievement of value for money.

#### **Recommendation**

The Authority noted the Entity's response and recommends that the Entity should continuously investigate any causes of low bidder participation in order to increase the level of competitiveness in the Entity.

#### **Management response**

The low bidder response has been a challenge ever since the COVID-10 Pandemic. Bidders have always failed to comply with the required administrative requirements ie Tax Clearance Certificates and Bid Securities thus a result of the low response.

However the Entity has now considered shortlisting firms from other Government prequalified lists, market knowledge in terms of capacity and also considering request for bid-securing declaration instead of bid securities to increase on the level of competition.

## **2.3 Efficiency and effectiveness in Contract Implementation**

### **2.3.1 Delayed Deliverables**

The Authority noted delayed contract implementation in the procurement of Consultancy Services for design & preparation of BoQS for (Nasarri, Rwebitaba, Buginyanya, Ngetta, Kigumba, Maruzi) by Scann Consults Ltd worth UGX 194,700,000. The initial delivery period was 12 weeks (three Months). The Contract was dated 28<sup>th</sup> May 2021 and delivery should have been end of August 2021. However, the final documents (BoQs, and drawings) were delivered on 17<sup>th</sup> March 2022, more than six months after the intended delivery period and the contract had expired by then.

#### **Implication**

Delayed contract implementation affects service delivery.

#### **Recommendation**

Contract Managers should ensure that contract supervision is effectively carried out to ensure that terms and conditions of the contract are met as required under Regulation 53 (1) a & b of the PPDA (Contracts) Regulations, 2014.

#### **Management Response**

Management stated that the delay was as a result of new changes in designs of the structures by the end users and also delayed approvals from Government Laboratories on the side of the Contractors.

In future Contract Managers would be encouraged to communicate timely on the delays to the Accounting office to enable consideration of Addendums to the contracts.

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

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

#### 3.1. Overall Compliance Audit Conclusion

The performance of National Agricultural Research Organisation for the Financial Year 2021/22 was **satisfactory** with overall weighted average risk rating of **11.7%**.

##### 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 below: -

Table 7: Risk Rating

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	2	20	2,423,700,000	11	0.3	6	3.3
Low	3	30	4,250,529,297	18	0.1	3	1.8
Satisfactory	5	50	16,165,805,393	71	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>100</b>	<b>22,840,034,690</b>	<b>100</b>	<b>1</b>	<b>9</b>	<b>5.1</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{9}{60} \times 100 = 15\%$$

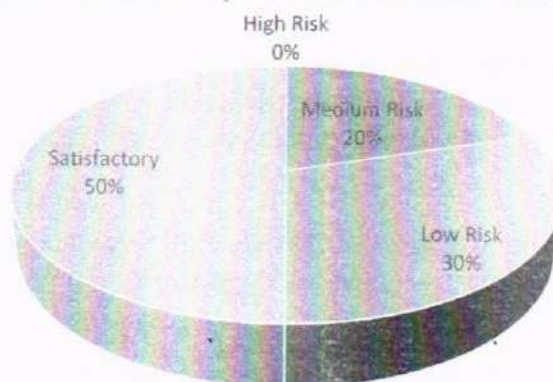
$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{5.1}{60} \times 100 = 8.5\%$$

$$\text{Combined Weighted Average} = \frac{15 + 8.5}{2} = 11.7\%$$



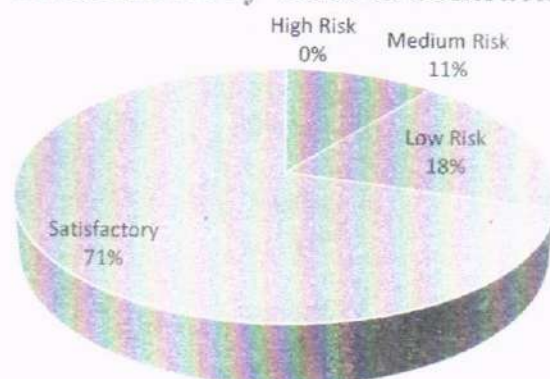
**Figure 1: Risk Rating by Number**

**Performance by Number of Contracts**



**Figure 2: Risk Rating by Value**

**Performance by Value of Contracts**



The risk rating is as follows:

**Table 8: Overall Rating**

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

National Agricultural Organization Authority should implement the recommended action plan on page 17.



### 3.2. Recommended Action Plan

National Agricultural Organisation Authority should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

**Table 9: Action Plan**

No.	Recommended Action	Target Date
1.	The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity. In the event that amendments are made to the departmental work plans due to prevailing circumstances, User Departments should inform the Head Procurement and Disposal Unit to update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended.	Immediate
2.	The Accounting Officer should ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003 as amended in order to minimise delays in the procurement process.	Continuous
3.	The Contracts Committee and Procurement and Disposal Unit should continuously quality assure the bidding documents to ensure that there are no inconsistencies between the different sections of the bidding document.	Continuous
4.	In execution of their role as per Regulation 53 (1) a & b of the PPDA (Contracts) Regulations, 2014, the Contract Managers should ensure that contract supervision is effectively carried out to ensure that terms and conditions of the contract are met by the providers.	Continuous

## Appendix 1: Summary of case by case

### MEDIUM RISK PROCUREMENT

No	Subject of procurement	Reasons for Medium risk rating
1.	Consultancy services for design & preparation of BOQs (Nasarri, Rwebitaba, Buginyanya, Ngetta, Kigumba, Maruzi):	<ul style="list-style-type: none"><li>• Delayed delivery</li></ul>
2.	Supply and installation and training of a Floating Fish Feed manufacturing equipment at Kajjansi Aquaculture Research and Development Centre	<ul style="list-style-type: none"><li>• Delay of more than one month.</li><li>• Inconsistencies in the Bidding Document</li></ul>

### LOW RISK PROCUREMENTS

No	Subject of procurement	Reasons for low risk rating
1.	Supply of Tea Research Laboratory equipment	<ul style="list-style-type: none"><li>• Low bidder participation.</li><li>• Delay by a month in making submission to the Contracts Committee.</li></ul>
2.	Renovation and Remolding of Bugusege Guest house into staff residential house	<ul style="list-style-type: none"><li>• Low bidder participation</li></ul>
3.	Proposed construction of Aquatic Diagnostic Laboratory at Kajjansi	<ul style="list-style-type: none"><li>• Low bidder participation</li></ul>

### SATISFACTORY CASES

Completion of civil works on the milking parlour at Nakyesasa
Design, installation integration and commissioning the NARO WAN
Construction of vaccine production facility at Nalirri
Consultancy services for design and preparation of BOQs (Narl, Namalere, Naforri)
Construction of Maruzi access roads 8 km

Appendix 2: List of sampled procurements for National Agricultural Research Organisation for Financial Year 2021/22

S/NO	REFERENCE NUMBER	SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT VALUE (UGX)	RISK RATING
1	NARO/CONS/20-21/00147	Consultancy Services For Design & Preparation of BOQs (Nasarri, Rwebitaba, Buginyanya, Ngetta, Kigumba, Maruzi):	RFP Without EOI	Scann Consults Ltd	194,700,000	Medium Risk
2	NARO/WKS/20-21/00238	Completion of Civil Works on the Milking Parlour at Nakyesasa	Restricted Bidding	Bullen Construction And Supplies Ltd	311,448,950	Satisfactory
3	NARO/NCONS/21-22/00052	Design, Installation Integration and Commissioning the NARO WAN	Restricted Bidding	Solution Telmee	356,721,012	Satisfactory
4	NARO/WKS/20-21/00020	Construction of Vaccine Production Facility at Nalirri	Open Bidding	Excel Construction Ltd	14,844,461,016	Satisfactory
5	NARO/CONS/20/21/00145	Consultancy Services for Design and Preparation of BOQs (Narl, Namalere, Naforri)	RFP Without EOI	Anza Design Group	196,794,500	Satisfactory
6	NARO/SUP/S/2020-21/00027	Supply and installation and Training of a Floating Fish Feed Manufacturing Equipment at Kajjansi Aquaculture Research and Development Centre for a Generator Under Lot 2 All Tax Inclusive	Restricted Bidding	Palin Corporation Ltd	2,229,000,000	Medium Risk

S/N	REFERENCE NUMBER	SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT VALUE (UGX)	RISK RATING
1	NARO/SUPPLS/2021-22/00048	Supply of Tea Research Laboratory Equipment	Restricted Bidding	Palin Corporation Ltd	3,516,956,683	Low Risk
2	NARO/WRKS/2021-22/00054	Construction of Maruzi Access Roads 8km	Restricted Bidding	Continuum Engineering Ltd	456,379,915	Satisfactory
3	NARO/WRKS/2019-20/00249	Renovation and Remodelling of Bugusege Guest House into Staff Residential House	Restricted Bidding	Khoga Ltd	242,919,284	Low Risk
10	NARO/WRKS/2019-20/00247	Proposed Construction of Aquatic Diagnostic Laboratory at Kajjansi	Restricted Bidding	Mascot Group Ltd	490,653,330	Low Risk



### Appendix 3: 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 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 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 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 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 lack of transparency and value for money.
<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	<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>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 lack of efficiency, standardisation and avoiding competition.
		<b>Procurement Structures:</b> Lack of procurement structures	This implies lack of independence of the process

RISK	DESCRIPTION	AREA	IMPLICATION
	management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	<p><b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.</p> <p><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.</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>	<p>and powers and interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely: whether the necessary approvals were obtained in a procurement process.</p> <p>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.</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	<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>



RISK	DESCRIPTION	AREA	IMPLICATION
	with detailed procedures.		

#### **SATISFACTORY**

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

#### **Appendix 4. List of staff in the Procurement and Disposal Unit**

S/ No	Name	Job Title	Date/Month joined
1	Eva Nakiguli	Head Procurement and Disposal Unit	15 <sup>th</sup> January 2010
2	Kyorugyendo Evace	Procurement officer	1 <sup>st</sup> January 2008
3	Benjamin Mangheni	Procurement officer	30 <sup>th</sup> June 2009
4	Imalingat Agnes	Procurement officer	January 2010
5	Kashaija Rogers	Procurement officer	3 <sup>rd</sup> April 2013
6	Sevvume Hudson	Procurement officer	8 <sup>th</sup> May 2017
7	Twinamatsiko Christine	Procurement officer	1 <sup>st</sup> April 2012
8	Takali jane	Procurement officer	January 2008
9	Magumba Sulaiman	Procurement officer	8 <sup>th</sup> May 2017
10	Obua Moses	Procurement officer	31 <sup>st</sup> July 2017
11	Okao John Paul	Procurement officer	6 <sup>th</sup> June 2017
12	Oder Patrick Denis	Procurement officer	28 <sup>th</sup> March 2014
13	Nakaweesi Margaret	Procurement officer	3 <sup>rd</sup> April 2013
14	Okongo James	Procurement officer	May 2012
15	Wajja Solomon	Procurement officer	2 <sup>nd</sup> May 2012
16	Obbo Simon Peter Okoth	Procurement officer	29 <sup>th</sup> January 2008
17	Sheila Uwase Mukantkusi	Procurement Officer	25 <sup>th</sup> May 2019
18	Betty Ochwo	Procurement Officer	8 <sup>th</sup> May 2017

#### **Appendix 5. List of User Departments**

No.	Title of the User Department	Job Title of Head of Department	Name of Head of Department
1.	Director General	Accounting Officer	Dr. Ambrose Agona
2.	Research Coordination	Deputy Director General, Research Coordination	Dr. Yona Baguma
3.	Agricultural Technologies Promotion	Deputy Director General, Agricultural Technologies Promotion	Dr. Sadik Kassim
4.	Corporate Services	Director Corporate Services	Dr. Justus Rutaisire
5.	Finance	Director Finance and Accounts	Mrs. Mary Kigundu
6.	Human Resource and Administration	Director Human Resource and Administration	Mr. Robert Bagonza
7.	Internal Audit	Head Internal Audit	Mr. Denis Owor

