



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
FINANCIAL YEAR 2019/20**

LUGAZI MUNICIPAL COUNCIL

MARCH 2021

TABLE OF CONTENTS

Contents	
TABLE OF CONTENTS.....	i
ACRONYMS.....	ii
EXECUTIVE SUMMARY	1
CHAPTER 1: INTRODUCTION	4
1.1 Structure of the Entity	4
1.2 Background	4
1.3 Audit Objectives.....	4
1.4 Audit Scope	5
Audit Methodology	5
CHAPTER 2: AUDIT FINDINGS	7
2.1 To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 and Regulations, 2014.....	7
2.2 To establish the level of compliance with the PPDA Act, 2003 and Regulations, 2014 in the conduct of procurement and disposal activities	12
2.3 To assess the level of efficiency and effectiveness in contract implementation.....	23
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	35
3.1. Overall Audit Conclusion.....	35
3.2. Recommended Action Plan.....	36
ANNEXES	39
Annex A: Summary Case by Case.....	39
Annex B: Transaction list and risk rating per case	61
Annex C: List of Contracts Committee members, Procurement and Disposal Unit and User Departments	64

ACRONYMS

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
GPP	Government Procurement Portal
LPO	Local Purchase Order
BEB	Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority

LIST OF TABLES

Table 1: Risk Rating**Error! Bookmark not defined.**

Table 2: List of Contracts Committee members 4

Table 3: Distribution of the transaction population and sample 5

Table 4: Status of implementation of previous audit recommendations..... 7

Table 5: Procurement Plan Implementation 9

Table 6: List of missing documents 11

Table 7: Procurements in which individuals confirmed availability of funding without delegated authority 12

Table 8: Procurements in which inadequate solicitation documents were issued 15

Table 9: Procurements in which irregularities were noted at contract award..... 19

Table 10: Procurements in which Contracts Committee approvals were delayed..... 20

Table 11: Procurements in which irregularities during evaluation were noted 21

Table 12: Procurements in which providers failed to fully meet contractual obligations 24

Table 13: Procurement executed outside the contractual period 25

Table 14: Procurements in which contract supervisors were not appointed..... 26

Table 15 : Procurements in which irregular payments were made 27

Table 16: Procurements in which payments were delayed 28

Table 17: Weighted risk rating 35

Table 18: Recommended actions and target dates 36

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of your Entity that covered twenty (20) procurement transactions for the Financial Year 2019/20. The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Lugazi Municipal Council's procurement and disposal system and process with the provisions of the PPDA Act, 2003 and Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Lugazi Municipal Council for the Financial Year 2019/20 was **highly unsatisfactory** with an overall weighted average risk rating of **100%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The following key exceptions were noted:

1. The Entity did not fully implement any of the previous PPDA audit recommendations from the Financial Year 2018/19 which implies that the Entity did not have a mechanism for implementation of recommendations.
2. Failure by the Internal Audit department to undertake comprehensive periodic reviews of the procurement function in the Entity. Internal Audit only reviewed the delivery of contractual deliverables and payments. This was indicative of a weak internal control environment within the Entity.
3. Understaffing in the Procurement and Disposal Unit, where only one member of staff at the level of Senior Procurement Officer handled the procurement function which might have led to the following irregularities:
 - i. Failure to report procurements undertaken to the Authority;
 - ii. Failure to maintain complete procurement action files which affected the audit trail and minimised the principle of accountability; and
 - iii. Missing Contracts Committee approvals in three (3) procurements worth UGX 572,171,548.
4. The Entity failed to fully implement 20.86% of the procurement plan with a negative variance of UGX 1,705,168,854. This affected service delivery to the intended beneficiaries.
5. The procurement for renovations and general repairs to ten spring wells (LUG788/WRKS/19-20/00015) worth UGX 7,923,500 was carried out outside the procurement plan for the Financial Year under review. Unplanned procurements may lead to distortion of the budget and creation of domestic arrears.
6. Irregularities at bidding in the procurement for development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019) worth UGX 246,974,000 in which proposals were received, opened and evaluated from Latitude Consulting Group, Arcon Surveyors and Engineering Consultants and Realtek Consults Limited and yet only Latitude Consulting Group had been issued the request for proposals document as per LG PP Form 6.
7. Irregular and unjustified use of the community purchase procurement method for the procurement for supply of inputs, equipment and materials for selected groups under DDEG worth UGX 10,000,000 which was indicative of a lack of fairness, transparency and accountability in the procurements undertaken.

8. Issuance of inadequate solicitation documents to bidders in five (5) procurements worth UGX 480,566,447 that contained irregularities such as:
 - i. Exclusion of the requirement of a margin of preference for procurements under open bidding;
 - ii. Use of brand names for example “Union” in the description of the ironmongery and “Armitage Shanks” in the description of the sanitary appliances for construction projects;
 - iii. Unjustified inclusion of provisional sums for items that should have been sufficiently described by the Entity and left to the bidders to compete; and
 - iv. Unjustified inclusion of 5% of the cost of the construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650 to cater for administrative costs without giving adequate description of these administrative costs.
9. Use of a contract format not prescribed by the Authority for all contracts placed by the Entity during the Financial Year under review in contravention of Section 7 (1) (e) of the PPDA Act, 2003. The Entity may be exposed to contractual terms that may not be defensible by the Government’s legal counsel.
10. Change of terms in the special conditions of the contract and the bidding document in two (2) procurements worth UGX 218,000,000, an indicator that the Contracts Committee did not play their oversight role.
11. The Entity failed to provide accountability for fuel worth UGX 118,111,119 spent during the Financial Year 2019/20 as a result of insufficient documentation showing lack of transparency and accountability.
12. Over aggregation of the procurement plan for works under force account with a single item included for grading and graveling of roads under Uganda Road Fund (URF) worth UGX 356,936,003. A breakdown of the roads to be worked on and their respective costs were not provided. Lack of clarity as to the particular procurement requirement leads to delayed procurements and urgent or ad-hoc procurements.
13. Irregularities in evaluation of bids in five (5) procurements worth UGX 833,071,663. Unfairness during evaluation leads to contract award to non-compliant bidders and compromises on benefits of maximum competition.
14. There was no evidence to show that contractors provided the 10% performance security requirement prior to signing contracts in three (3) procurements worth UGX 273,254,415 exposing the Entity to non-performing contractors who may abandon or not perform the contracts in accordance with the specified terms.
15. Execution of three (3) contracts worth UGX 239,778,865 outside contractual periods and without evidence of extension of contractual periods. Delayed completion leads to delayed service delivery and utility of the benefits of the project. Furthermore, there may be a loss of value for money.
16. Irregular payments to providers in four (4) procurements worth UGX 278,254,415 due to miscalculation of withholding tax by the Entity and payments to individuals in the employ of the Entity instead of to providers.
17. Irregular variation of works in the procurement for construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848. Variations were effected to the scope of the works as per IPC No. 1 worth UGX 19,659,700 (3.85%) without Contracts Committee’s approval.

18. Irregular use of the force account mechanism for the implementation of works such as:
- i. Irregular use of the prequalification process for the procurement of inputs;
 - ii. There was no evidence to indicate that there were submissions from the User Department to the Contracts Committee forwarded by the Procurement and Disposal Unit, explaining the circumstances giving rise to the need to use Force Account and as such no evidence of Contracts Committee's approval;
 - iii. Lack of adequate accountability for the use of fuel;
 - iv. Exaggeration of fuel for supervision of works;
 - v. Maintenance and repairs on equipment and vehicles, including servicing were undertaken without adequate inspection reports detailing the need for the repairs. Further, there was no evidence on file of the delivery of the spares, completion of the repairs or servicing of the vehicles. As a result, there was no accountability provided for sums surcharged for oil, lubricants and maintenance.
 - vi. Sums were paid to individuals from the Entity for the purchase of items such as sign posts and setting out materials that were used during implementation of works under force account mechanism but there was no evidence that a procurement process was undertaken to arrive at the providers.

In summary, the Authority notes that understaffing in the Procurement and Disposal Unit coupled with poor records management and lack of adequate knowledge in public procurement procedures largely contributed to the poor performance of the Entity. The Authority further noted that the internal audit unit was not playing its oversight role to ensure that the procurement function was efficient and effective.

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

1. The Accounting Officer should provide support to the Procurement and Disposal Unit in order to improve performance in accordance with Section 26 (1) (c) of the PPDA Act, 2003, which requires establishing a Procurement and Disposal Unit staffed at an appropriate level.
2. The Accounting Officer should ensure that the internal audit function is strengthened and measures geared towards improving the procurement and disposal function put in place for the improvement of the Entity's performance.
3. The Accounting Officer should ensure that the Procurement and Disposal Unit procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003.
4. Heads of User Departments should ensure that procurements are initiated within the planned timelines to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.
5. The Accounting Officer should ensure that contracts are signed promptly once funds are available and 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.

Lugazi Municipal Council should implement the recommended action plan on pages **45 -47**.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

Lugazi Municipal Council is located in Buikwe District in Central Uganda. Lugazi Municipal Council as an Entity took operational effect in the Financial Year 2016/2017.

Lugazi Municipal Council is headed by the Town Clerk who is the Accounting Officer. According to Section 26 of the PPDA Act,2003, the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity is the Accounting Officer. The Accounting Officer of Lugazi Municipal Council during the financial year under review was Mr. Francis Nyamugo.

The PS/ST 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	Position	Job Title	Appointment date
1.	Robert Nkwanga Musoke	Chairperson	Ag. Senior Commercial Officer	13 th October 2016
2.	Musasizi Dorah	Member	Senior Human Resource Officer	13 th October 2016
3.	Victoria Kateeme	Member	Head Teacher	13 th October 2016
4.	Dorothy Nanyombi	Member	Community Development Officer	26 th April 2019
5.	Charles Lwanga	Member	Environmental Officer	26 th April 2019

According to Section 31 (a) of the PPDA Act,2003 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 & Disposal Unit. The Procurement & Disposal Unit during the financial year under review was headed by Mr. Ramathans Juuko Sadalah.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Lugazi Municipal Council that covered a representative sample of twenty (20) procurement transactions under Financial Year 2019/20. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.3 Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Lugazi Municipal Council' procurement system and processes with the

provisions of the PPDA Act, 2003 and Regulations, 2006 and assess the level of procurement performance over the audit period.

The specific objectives were:

- Establish the level of compliance by the PDE with the general provisions of the PPDA Act and Regulations;
- Establish the level of compliance with the PPDA Act, 2003 in the conduct of procurement and disposal activities; and
- Assess the level of efficiency and effectiveness in contract implementation.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis.

Under general compliance issues, the audit concentrated on staffing levels within the Entity, procurement plan implementation, implementation of previous audit recommendations and reporting.

Under efficiency and effectiveness of contract implementation, the audit concentrated on implementation of contracts within contractual timelines, cost overruns and variances, use of the force account mechanism and fleet and equipment management.

The audit covered a representative sample of twenty (20) procurement transactions under Financial Year 2019/20. The list of sampled transactions is contained in **Annex 1**.

The distribution of the transaction population and sample is in Table 2.

Table 2: Distribution of the transaction population and sample

Procurement Method	Popn No.	Sample No.	%age by No	Population Value (UGX)	Sample Value (UGX)	%age Value
Open Bidding	13	7	53	1,124,261,205	549,959,000	49
Selective Bidding	18	13	72	724,261,205	473,889,503	65
Disposal	10	5	50	76,000,000	41,842,000	55
Total	31	20	62.5	1,924,522,410	1,371,562,563	71.27

Audit Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit 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. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous reports.

During the audit, 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.

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **5th October 2020** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **26th January 2021** with a request to submit a management response by **5th February 2021** which was submitted on **19th February 2021**. Repeated attempts were made to hold an exit meeting with the Entity but the Accounting Officer did not make himself or an individual delegated by him available for the same. The Authority considered the response and the report was based on the written responses.

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 audit.

CHAPTER 2: AUDIT FINDINGS

2.1 To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 and Regulations, 2014

2.1.1 Understaffing

The Procurement and Disposal Unit (PDU) is manned by one (1) substantive staff in the capacity of Senior Procurement Officer who handles the entire work load of the PDU.

Implication

Failure by the Procurement and Disposal Unit to fully implement its mandate.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that the Procurement and Disposal Unit is fully constituted and staffed at an appropriate level in accordance with Section 26 (1) (c) of the PPDA Act, 2003.

2.1.2 Failure to fully implement previous audit recommendations

It was noted that the Entity had been issued its previous audit report for the Financial Year 2018-2019 in August 2019. The audit noted that all (100%) of the previous audit recommendations were not implemented as indicated in Table 3:

Table 3: Status of implementation of previous audit recommendations

No.	Recommendation	Status of Implementation
1.	User Departments should prepare comprehensive work plans and submit all their requirements to the Procurement and Disposal Unit for consolidation into the Entity's procurement plan. In the event that amendments are made to departmental work plans, User Departments should inform the Head Procurement and Disposal Unit to update the procurement plan in accordance with Section 58 of the PPDA Act, 2003.	Not Implemented
2.	The Accounting Officer should investigate the possible causes of low bidder participation in the Entity and address them in order to increase competition and achievement of value for money in accordance with Section 46 of the PPDA Act, 2003.	Not Implemented
3.	Evaluation Committees should always undertake the assessment of bids submitted, rank them and submit an evaluation report and assessment scores to the Procurement and Disposal Unit for submission to the Contracts Committee in accordance with Regulation 27	Not Implemented

No.	Recommendation	Status of Implementation
	(8) of the Local Governments (PPDA) Regulations, 2006.	
4.	The Accounting Officer should in writing delegate authority to User Departments to undertake micro procurements and prepare monthly reports on all micro procurements handled for issuance to the Contracts Committee in accordance with Regulation 41 (7) and (8) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
5.	User Departments should nominate contract supervisors and notify the Accounting Officer in writing in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006. Upon receipt of a copy of the contract, the nominated contract supervisors should prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
6.	The Accounting Officer should prevail over contract supervisors to monitor contractors to ensure that they meet all performance obligations specified in the terms and conditions of the signed contract in accordance with Regulation 119 (10) (i) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
7.	The Accounting Officer should expedite the disposal of all assets earmarked for disposal in accordance with Regulation 122 (6) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
8.	The Accounting Officer should provide the Procurement and Disposal Unit with ample storage space and internet facilities for proper management of records and for effective and efficient communication and execution of its activities.	Not Implemented

Implication

Failure to fully implement audit recommendations affects improved performance of the procurement function.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that all audit recommendations are implemented so as to improve the Entity's performance.

2.1.3 Procurement Plan Implementation

Table 4 summarizes information about the procurement plan, budget, and utilization of funds. The procurement plan implementation rate was 79.14% with a budget variance of UGX 449,549,738.

Table 4: Procurement Plan Implementation

Table 1. Analysis of procurement spend	
Total procurement plan value inclusive VAT (UGX)	2,154,718,592
Total procurement spend value inclusive VAT (UGX)	1,705,168,854
Procurement Plan Implementation Rate (%)	79.14%
Budget Variance (UGX)	449,549,738

Implication

Failure to fully implement the procurement plan affects service delivery.

Management Response

Management stated that the variance was due to shortfalls in collection of local revenue and the COVID-19 pandemic that affected releases by the Central Government.

Recommendation

- The Accounting Officer should regularly conduct or designate persons to regularly 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, 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.

2.1.4 Internal Audit reviews

There was failure by the Internal Audit Department to carry out comprehensive periodic reviews of the procurement function in the Entity. Internal Audit only participated in the review of payments and deliverables.

Implication

This is indicative of a weak internal control environment within the Entity.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that the Internal Audit department carries out comprehensive periodic reviews of the procurement and disposal systems and processes in accordance with Regulation 28 of the Local Government (PPDA) Regulations, 2006.

2.1.5 Poor facilitation of the Procurement and Disposal Unit

The audit noted that the Procurement and Disposal Unit was not adequately facilitated with storage facilities and IT equipment such as printers. Documents were kept on the Procurement and Disposal Unit office floor while the Procurement and Disposal Unit's printer was non-functional at the time of the audit. As a result, some records such as contract management records and solicitation documents were not readily available.

Implication

Lack of storage space leads to loss and damage to procurement records thus affecting the audit trail.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that the Procurement and Disposal Unit is fully facilitated to enable effective implementation of its functions.

2.1.6 Failure to report procurements undertaken to the Authority

The audit noted that the Divisions received funds through the collection of local revenue and other unconditional grants and discretionary and conditional government transfers for which Local Purchase Orders were manually generated. However, the micro procurements undertaken were not submitted to the Contracts Committee for ratification while in some cases, macro-procurements were undertaken without delegated authority and not reported to the Authority. The audit was unable to conduct a follow-up of the activities as the purchase orders had been generated manually with poor record keeping at Division level.

Implication

Failure to report procurements reflects lack of transparency, accountability and fairness in the procurements conducted by the Entity.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should take responsibility for the lack of transparency in reporting and should prevail over the Head, Procurement and Disposal Unit to ensure full and accurate reporting of all procurement and disposal transactions in accordance with Section 31 (r) of the PPDA Act, 2003.

2.1.7 Missing records

The documents indicated in Table 5 were not provided to the auditors:

Table 5: List of missing documents

No.	Subject of Procurement	Missing Records
1.	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848	<ul style="list-style-type: none"> Form 1 initiating the procurement Contract management reports and progress reports.
2.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	<ul style="list-style-type: none"> Contract implementation plan. Monthly progress reports. Evidence of completion.
3.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	<ul style="list-style-type: none"> Contract implementation plan. Monthly progress reports. Evidence of completion.
4.	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950	<ul style="list-style-type: none"> Contract implementation plan. Monthly progress reports. Evidence of completion.
5.	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400	<ul style="list-style-type: none"> Progress reports. Inception report. Valuation reports. Final reports. Evidence of payment. Notice of Best Evaluated Bidder.
6.	Routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 38,809,000	<ul style="list-style-type: none"> LG PP Form 1. Breakdown of the cost of the assignment.
7.	Development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019) worth UGX 246,974,000	<ul style="list-style-type: none"> Inception Report. Final Report. Payment Records.
8.	Renovation of maternity building at Najjembe Health Center III (LUG788/WRKS/19-20/00005) worth UGX 12,354,300	<ul style="list-style-type: none"> Evaluation report Solicitation document Contract management records. Progress reports. Record of bid opening. Payment records.
9.	Construction of 20 Lockups in Kinyoro Market to slab level (LUG788/WRKS/19-20/0010) worth UGX 10,290,000	<ul style="list-style-type: none"> Local Purchasing Orders issued to suppliers. Delivery notes. Contract management records.

		•
10.	Renovations and general repairs to ten spring wells (LUG788/WRKS/19-20/00015) worth UGX 7,923,500	<ul style="list-style-type: none"> • Local Purchase Orders. • Delivery notes. • Contract management reports.

Implication

Lack of records on a procurement or disposal process affects the audit trail.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Head Procurement and Disposal Unit should ensure that a complete procurement action file is maintained for all procurements in accordance with Section 31 (o) of the PPDA Act, 2003.

2.2 To establish the level of compliance with the PPDA Act, 2003 and Regulations, 2014 in the conduct of procurement and disposal activities

2.2.1 Irregularities at initiation of procurements

The Authority noted that in two (2) procurements worth UGX 17,923,500, the Senior Assistant Town Clerks confirmed availability of funding without delegated authority. The procurements were as follows:

Table 6: Procurements in which individuals confirmed availability of funding without delegated authority

S/No	Subject of Procurement	Value (UGX)
1.	Procurement of inputs, equipment and materials for selected groups under DDEG	10,000,000
2.	Renovations and general repairs to ten spring wells (LUG788/WRKS/19-20/00015)	7,923,500

The Authority further noted that the Accounting Officer did not confirm availability of funding for the procurement as per LG PP Form 1 in the procurement for valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400. Additionally, the form was not dated by either the individual who initiated the procurement or the individual who confirmed the request to procure.

Implication

This could lead to domestic arrears since there is no evidence of authorization by the Accounting Officer.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that confirmation of availability of funding is undertaken for every procurement in accordance with Regulation 65 (1) (c) of the Local Government (PPDA)

Regulations, 2006. In the event that the Accounting Officer is not in a position to confirm availability of funding, the role should be delegated in accordance with Regulation 29 of the Local Government (PPDA) Regulations, 2006.

2.2.2 Variances between estimated prices at initiation, planned costs and final contract sums

The audit noted a large variance of UGX 196,974,000 (493.948%) between the planned and estimated amount of UGX 50,000,000 and the final contract sum of UGX 246,974,000 in the procurement for development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019). It was further noted that there was no evidence on file of a re-assessment of market prices in any of the procurements or commitment of additional funding to cater for the shortfalls.

The audit also noted that there was a variance of UGX 15,997,099 between the planned amount of UGX 8,002,901 and the estimated value of 24,000,000 in the procurement for renovation of maternity building at Najjembe Health Center III (LUG788/WRKS/19-20/00005) that was awarded at UGX 12,354,300.

Implication

Contracting at higher prices leads to creation of domestic arrears.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should conduct a re-assessment of market prices before contract signature where prices recommended for award of contract are higher than those earlier planned or estimated in accordance with Section 26 (4) of the PPDA Act, 2003.

2.2.3 Delayed signing of contracts

The contract for valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400 was signed on 10th December 2019 after expiry of the Notice of Best Evaluated Bidder on 2nd October 2019.

Implication

Inefficiency in procurement processes leads to delays in service delivery.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.

2.2.4 Procuring outside the procurement plan

The procurement for renovations and general repairs to ten spring wells (LUG788/WRKS/19-20/00015) worth UGX 7,923,500 was carried out outside the procurement plan for the Financial Year under review.

Implication

Unplanned procurements may lead to distortion of the budget and creation of domestic arrears.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

- User Departments should promptly notify the Head, Procurement and Disposal Unit of any changes in their work plans so that the procurement plan can be updated in accordance with Section 58 (4) of the PPDA Act, 2003.
- The Contracts Committee should ensure that procurements are in the procurement plan before approval.

2.2.5 Irregularities at bidding

Latitude Consulting Group was the only firm issued the request for proposals document as per LG PP Form 6 in the procurement for development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019) worth UGX 246,974,000. The audit however noted that proposals were received and opened from Latitude Consulting Group, Arcon Surveyors and Engineering Consultants and Realtek Consults Limited. It was further noted that although noted issued the request for proposals document, Arcon Surveyors and Engineering Consultants emerged as the best evaluated bidder.

Implication

Issuing bidders not invited with the solicitation document is a sign of non-transparency.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Head, Procurement and Disposal Unit should ensure that all bids received with the exception of late bids or bids received from bidders not issued bidding documents are opened and evaluated in accordance with Regulation 70 Local Government (PPDA) Regulations, 2006.

2.2.6 Use of a wrong procurement method

The Contracts Committee on 29th January 2020 unjustifiably approved the use of the community purchase procurement method in the procurement for supply of inputs, equipment and materials for selected groups under DDEG worth UGX 10,000,000 and yet the estimated value of the procurement was UGX 10,000,000. Additionally, out of the ten (10) beneficiary groups, only two had requested for items falling within the threshold of UGX 500,000 for use of the community purchase method. It was also noted that there were no specifications provided for the supplies to be procured.

In addition, the procurement was undertaken by a committee consisting of Mr. Stephen Mpiima (Division Chairperson), Ms. Milly Luwaga (Senior Assistant Town Clerk), Mr. Richard Otwal Lapa (Division Treasurer) and Mr. Jacob Ssemwogerere (Community Development Officer) without formal delegation of the procurement function by the Accounting Officer.

Although the Community Purchase method was used, the supplies were purchased from suppliers outside the Entity's area of jurisdiction and there was no evidence that the intended beneficiary groups received the items as indicated below:

- B-Star Graphics and Stationers from whom paper materials worth UGX 1,150,000 were purchased has an address of Plot 7 Nasser Road in Kampala. Additionally, although the invoice for the supply of paper was issued by B-Star Graphics and Stationers, the payment was effected to Mr. Jacob Ssemwogerere.
- Perfect Machines and Engineering from whom a grinding machine worth UGX 2,800,000 was purchased has an address of Katwe OPP in Kampala. Additionally, although the invoice for the supply of the grinding machine was issued by Perfect Machines and Engineering, the payment was effected to Mr. Jacob Ssemwogerere.
- Zimula Hardware from whom a 6 foot crumps worth UGX 390,000 was purchased has an address of Gaggawala Shawuliyako in Kampala.
- Kongei General Traders SMC Limited from whom a sugar cane juice extraction machine worth UGX 2,500,000 was purchased has an address of Total-Delux House in Kampala. Additionally, although the invoice for the supply of the sugar cane juice extraction machine was issued by Kongei General Traders SMC Limited, the payment was effected to Mr. Jacob Ssemwogerere.

Implication

Lack of fairness and accountability in the procurements undertaken.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Head, Procurement and Disposal Unit and Contracts Committee should ensure use of the correct procurement methods in accordance with Regulations 36, 37, 38, 39, 40, 41 and 42 of the Local Government (PPDA) Regulations, 2014.

2.2.7 Inadequate solicitation documents

The solicitation documents issued to bidders in five (5) procurements worth UGX 480,566,447 contained irregularities as indicated in Table 7:

Table 7: Procurements in which inadequate solicitation documents were issued

S/No.	Subject of Procurement	Issue noted
1.	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848	<ul style="list-style-type: none"> • The solicitation document issued to the bidders indicated that a margin of preference would not apply.

S/No.	Subject of Procurement	Issue noted
		<ul style="list-style-type: none"> • Use of the brand name “Union” in the description of the ironmongery as per Element No. 5 Items H, I and J of the bills of quantities. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation and setting to work of balustrades, balusters, hand rails including all associated finished and builder’s work in connection all described in the specifications and drawings for which the Best Evaluated Bidder quoted UGX 8,000,000 as per Element No. 6 Item K. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work electrical appliances and fittings including all associated building’s work in connection all as described in the specifications and drawings for which the Best Evaluated Bidder quoted UGX 20,000,000 as per Element No. 7 Item A. • Use of the brand name “Armitage Shanks” in the description of the sanitary appliances as per Element No. 8 of the bills of quantities. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work the water supply and fixing pipework fittings including all associated building’s work in connection all as described in the specifications and drawings for which the Best Evaluated Bidder quoted UGX 5,000,000 as per Element No. 7 Item A. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work the drainage including all associated building’s work in connection all as described in the specifications and drawings for which the Best Evaluated Bidder quoted UGX 5,000,000 as per Element No. 7 Item A.
2.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	<ul style="list-style-type: none"> • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administrative costs without giving adequate description of these administrative costs. The best evaluated

S/No.	Subject of Procurement	Issue noted
		<p>bidder quoted UGX 5,266,650 to cater for administrative costs.</p> <ul style="list-style-type: none"> • Use of the brand name “Union” in the description of the ironmongery. • Use of the brand name “Armitage Shanks” in the description of the sanitary fittings. • Use of the brand name MK in the description of the electrical installations.
3.	<p>Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815</p>	<ul style="list-style-type: none"> • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administration costs without giving adequate description of these administration costs. The best evaluated bidder quoted UGX 3,791,515 to cater for administration costs. • Although bidders were requested to quote for the supply of furniture, there were no specifications or drawings provided for the aforementioned furniture. • Margin of preference was unjustifiably waived from the solicitation document issued to bidders.
4.	<p>Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950</p>	<ul style="list-style-type: none"> • Margin of preference was unjustifiably waived from the solicitation document issued to the bidders. • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administration costs without giving adequate description of these administration costs. The best evaluated bidder quoted UGX 3,953,950 to cater for administration costs. • Use of the brand name “Union” in the description of the iron monger. • Although bidders were requested to quote for the supply of furniture, there were no specifications or drawings provided for the aforementioned furniture.
5.	<p>Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400</p>	<ul style="list-style-type: none"> • ITB 19 of the solicitation document issued to the bidders provided that a bid security worth UGX 750,000 would be required in the form of a demand guarantee, an irrevocable letter of credit, a cashier’s or certified check or another security indicated in the BDS, from a reputable source from an eligible country. The

S/No.	Subject of Procurement	Issue noted
		<p>Bid Security shall be submitted either using the Bid Security Form included in Section 4, Bidding Forms, or in another substantially similar format. In either case, the form must include the complete name of the Bidder. This was against the PS/STs circular on securities to be submitted.</p> <ul style="list-style-type: none"> • Margin of preference was waived from the solicitation document issued to bidders. • The solicitation document issued to bidders did not include adequate terms of reference or detailed technical evaluation criteria. • GCC 22.2 of the solicitation document issued to bidders provided that the payment schedule would be based on percentages without actually providing a proposed percentage payment schedule. • The solicitation document issued to the bidders did not require the submission of a valuation practicing certificate issued by the Surveyors Registration Board.

Implication

Poor quality solicitation documents hinder bidders from preparing and submitting responsive bids.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should caution; the Contracts Committee, the Head, Procurement and Disposal Unit and User Departments for failure to adhere to Regulation 48 of the Local Government (PPDA) Regulations, 2006 in the preparation of solicitation documents.

2.8 Use of a contract format not prescribed by the Authority

The audit noted that for all contracts placed by the Entity, the format used was not that prescribed by the Authority and there was no approval of the same in contravention of Section 7 (1) (e) of the PPDA Act, 2003.

Implication

The Entity may be exposed to contractual terms that may not be defensible by the Government’s legal counsel.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

- The Accounting Officer should caution, in writing, the Head, Procurement and Disposal Unit and the Contracts Committee for use of a contract type not prescribed by the Authority.
- In the event that the Entity would like to deviate from the standard contract types provided by the Authority, a deviation should be sought in accordance with Section 7 (1) (e) of the PPDA Act, 2003.

2.2.9 Missing Contracts Committee approvals

Missing Contracts Committee approvals were noted in three (3) procurements worth UGX 572,171,548, as indicated in Table 9:

Table 8: Procurements in which irregularities were noted at contract award

S/No.	Subject of Procurement	Issues noted
1.	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848	There was no evidence of Contracts Committee approval of the addendum No. 1 extending the deadline for receipt of bids from 10 th July 2019 to 25 th July 2019.
2.	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400	There was no evidence of Contracts Committee approval of addendum No. 1.
3.	Renovation of maternity building at Najjembe Health Center III (LUG788/WRKS/19-20/00005) worth UGX 12,354,300	There was no evidence of Contracts Committee approval of the procurement method, solicitation document, bid notice, draft contract document and evaluation report.

Implication

This is indicative of a lack of transparency and fairness in the procurement processes in the Entity.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

- The Accounting Officer should caution the Head, Procurement and Disposal Unit for failure to make submissions to the Contracts Committee for approval in contravention of Section 31 (b) of the PPDA Act, 2003.
- The Accounting Officer should prevail over the Chairperson of the Contracts Committee to ensure that submissions to the Contracts Committee are approved after adjudication by a minimum quorum of three (3) members in accordance with Regulation 17 (1) of the Local Government (PPDA) Regulations, 2006.

2.2.10 Delayed Contracts Committee approvals

The audit noted delays in Contracts Committee approvals in three (3) procurements worth UGX 15,500,000 as indicated below:

Table 9: Procurements in which Contracts Committee approvals were delayed

S/No	Subject of Procurement	Issues Noted
1.	Supply of inputs, equipment and materials for selected groups under DDEG worth UGX 10,000,000	Delayed Contracts Committee approval of the procurement method on 29 th January 2020 the after submission by the Procurement and Disposal Unit on 19 th December 2019.
2.	Renovation of a slaughter slab in Najjembe Division Construction of a cattle crush in Kawolo Division Acquisition of piglets and fees	Delayed Contracts Committee approval of the use of the force account mechanism and direct procurement method on 12 th November 2019 after submission by the PDU on 29 th September 2019.
3.	Opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000	Delayed Contracts Committee approval of the use of the force account method on 4 th November 2019 after submission by the PDU on 17 th October 2019.

Implication

This leads to delays in service delivery.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Chairperson of the Contracts Committee should ensure efficiency in adjudication and approvals in accordance with Section 43 (e) of the PPDA, Act 2003.

2.2.11 Over aggregation of the procurement plan

The audit noted that there was an over aggregation of the procurement plan for works under force account with a single item included for grading and graveling of roads under Uganda Road Fund (URF) worth UGX 356,936,003. A breakdown of the roads to be worked on and their respective costs were not provided.

Implication

Lack of clarity as to the particular procurement requirement leads to delayed procurements and urgent or ad-hoc procurements.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

The Accounting Officer should prevail over the Procurement and Disposal Unit to ensure that procurement plans are prepared in accordance with Regulation 62 (4) (a) of the Local Government (PPDA) Regulations, 2006.

2.2.12 Irregularities at evaluation

Irregularities in evaluation of bids were noted in five (5) procurements worth UGX 833,071,663 as indicated in Table 11:

Table 10: Procurements in which irregularities during evaluation were noted

S/No.	Subject of Procurement	Issues noted
1.	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848	<ul style="list-style-type: none"> • Evaluation of bids was undertaken by only Mr. George Karlmarx Mujinda (Treasurer) and Mr. Ramathan Juuko Sadalah. The Committee that undertook the evaluation of bids did not include an individual with the technical expertise in the procurement subject. Further, although approved by the Contracts Committee, Mr. Kamyra Daniel (Municipal Engineer) did participate in the evaluation of bids. • There was no evidence that a post-qualification of the Best Evaluated Bidder was undertaken. • Mr. Stanley Mugenyi proposed by Zebra Associates Limited as the contract manager did not meet the requirement of a minimum of 5 of five years of experience in works of a similar nature and complexity as those bided for. • Zebra Associates Limited did not submit with its bid an environment management plan or a health and safety plan. It was further noted that Rinack Holdings Limited that quoted UGX 507,552,014 was eliminated from the evaluation process for failure to submit both an environment management plan and a health and safety plan. Additionally, it was indicated that Rinack Holdings Limited did not submit with its bid, audited books of account for 2018, 2017 and 2016 which were upon review of the bid submitted by the bidder found to be part of the bid. The bid submitted by Rinack Holdings Limited was treated unfairly as the bidder was eliminated on the basis of grounds that Zebra Associates Limited (the Best Evaluated Bidder) did not qualify for. Had the Evaluation Committee treated the bidders fairly, it would have saved UGX 2,707,834. • Mr. Joseph Lukwago proposed by Zebra Associates Limited as the site engineer/agent did not meet the requirement of being a civil engineer with a minimum of 5 of five years of

S/No.	Subject of Procurement	Issues noted
		<p>experience in works of a similar nature and complexity as those bided for.</p> <ul style="list-style-type: none"> Zebra Associates Limited did not provide evidence of the lease or ownership of 1 concrete mixer, 2 No. 7 tonne tipper trucks, 2 concrete poker vibrators and 2 dumper trucks.
2.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	<ul style="list-style-type: none"> There was no evidence that a post-qualification of bids was undertaken. Unjustified recommendation of Rinack Holdings Limited as the best evaluated bidder at a cost of UGX 110,599,650. Kano Building Contractors Limited quoted UGX 87,412,500 to undertake the work but was ranked second behind Rinack Holdings Limited on the basis that the bidder had quoted a price that was outside the +/-10% range of the estimated cost at initiation of UGX 112,000,000. Consequently, Rinack Holdings Limited was recommended for award of contract. There was as a result, a financial loss of UGX 23,187,150.
3.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	<ul style="list-style-type: none"> There was no evidence that a post-qualification of bids was undertaken. Rosanah Investments Limited did not meet the requirement for submission of proposals for the timely acquisition (own, lease, hire, etc.) of the following equipment: 1 Concrete Mixers (0.3M³), 2 Concrete poker vibrators and 2 Dumper trucks. Additionally, the site Engineer/Agent proposed by Rosanah Investments Limited did not meet the requirement of being a civil engineer. Rosanah Investments Limited did not meet the requirement of possession of liquid assets and/or credit facilities, net of other contractual commitments and exclusive of any advance payments which may be made under the Contract, of no less than UGX 200 Million.
4.	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950	<ul style="list-style-type: none"> Engineer Daniel Kamyia did not sign the evaluation report dated 1st November 2019. Only Mr. Chouldry and Mr. Juuko Sadalah Ramathan signed the evaluation report. There was no evidence that a post-qualification was undertaken and yet this was part of the evaluation criteria.

S/No.	Subject of Procurement	Issues noted
		<ul style="list-style-type: none"> Kano Builders Limited could not have met the criterion of an average annual volume of construction work for the past four (04) years of at least UGX 200 Million as the firm was incorporated and registered on 18th August 2017. It was further noted that the bidder submitted audited books of accounts and yet it was registered and incorporated on 18th August 2017 and as such the books of accounts for 2016 were most likely to have been forged.
5.	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400	Introduction of criteria during evaluation of bids. It was noted that bidders were evaluated by the Evaluation Committee on the criteria of work experience, qualification of staff and experience of staff and yet the solicitation document issued to bidders did not include any detailed technical evaluation criteria.

Implication

- Unfairness during evaluation leads to contract award to non-compliant bidders and compromises on benefits of maximum competition.
- There was an aggregated financial loss of UGX 25,894,984.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

- The Head, Procurement and Disposal Unit should ensure that Evaluation Committee members strictly adhere to the criteria set out in the solicitation document in accordance with Regulations 48 (4) and 73 of the Local Government (PPDA) Regulations, 2006.
- The Accounting Officer should recover the financial loss of UGX 25,894,984.
- Chairpersons of the Evaluation Committees should ensure that the methodology indicated in the solicitation documents issued to bidders is the same methodology used during evaluation of bids in accordance with Regulation 78 (5) of the Local Government (PPDA) Regulations, 2006.
- The Head, Procurement and Disposal Unit should ensure that technical guidance is always provided to Evaluation Committees.

2.3 To assess the level of efficiency and effectiveness in contract implementation

2.3.1 Poor planning and scoping

The audit noted that there was poor planning and scoping of the works by the User Department in the procurement for construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650. The User Department did not undertake an adequate review of the site where the works were to be

undertaken such that at site handover, a land dispute erupted which resulted into a change in scope to increase the length of the fence without any renovations being undertaken on the health facility. Consequently, the contract expired on 23rd March 2020 and yet a progress report dated 27th March 2020 indicated that 80% of the work had be completed.

Implication

Poor planning leads to delays in service delivery.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should prevail over Heads of User Departments to ensure adequate planning and scoping of procurement requirements as enshrined in Regulations 3 and 4 of the PPDA (Procuring and Disposing Entities) Regulations, 2014.

2.3.2 Failure to meet contractual obligations

In three (3) procurements worth UGX 273,254,415, there was no evidence that providers fully met their contractual obligations as indicated in Table 12:

Table 11: Procurements in which providers failed to fully meet contractual obligations

S/No	Subject of procurement	Issues
1.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	<ul style="list-style-type: none"> No evidence of submission of a performance security worth 10% of the value of the contract in contravention of GCC 52.1. Rosannah Investments Limited quoted UGX 3,000,000 to cater for site restoration (600,000), tree planting i.e. mangoes, avocados and shade trees 10 No. (200,000), grass planting around the facility after completion (700,000) and environmental health and safety (UGX 1,500,000). There was no evidence during physical verification that the provider restored the site after completion of the contract.
2.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	No evidence of submission of a performance security worth 10% of the value of the contract in contravention of GCC 52.1.
3.	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950	<ul style="list-style-type: none"> No evidence of submission of a performance security worth 10% of the value of the contract in contravention of GCC 52.1.

S/No	Subject of procurement	Issues
		<ul style="list-style-type: none"> Kano Builders Limited quoted UGX 273,000 to cater for site restoration (50,000), tree planting i.e. mangoes, avocados and shade trees 10 No. (100,000), grass planting around the facility after completion (100,000) and environmental health and safety (UGX 23,000). There was no evidence during physical verification that the provider restored the site after completion of the contract.

Implications

Failure to attain value for money.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

The Accounting Officer should prevail over Heads of User Departments to ensure that contract supervisors carryout their functions in accordance with Regulation 119 of the Local Government (PPDA) Regulations, 2006.

2.3.3 Execution of contracts outside the contractual period

In three (3) procurements worth UGX 239,778,865, contracts were executed outside the contractual periods and there was no evidence that the contractual periods had been extended as indicated in Table 13:

Table 12: Procurement executed outside the contractual period

S/No.	Subject of Procurement	Issues Noted
1.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	Expiry of the contract on 23 rd March 2020 yet progress report dated 27 th March 2020 indicated that 80% of the work had be completed.
2.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	Expiry of the contract on 23 rd March 2020 yet IPC No.1 dated 25 th March 2020 indicated that 68.2% of the work had be completed.
3.	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400	Expiry of the contract on 11 th March 2020 without evidence of completion

Implication

Delayed completion leads to delayed service delivery and utility of the benefits of the project.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should task the Heads of User Departments and contract supervisors to ensure that contracts are implemented as per the terms in the contracts.

2.3.4 Failure to nominate Contract Supervisors

The audit noted that in seven (7) sampled procurements, the User Departments did not nominate contract supervisors for the Accounting Officer's appointment contrary to Regulation 119 (2) of the Local Government (PPDA) Regulations, 2006.

Table 13: Procurements in which contract supervisors were not appointed

S/No	Subject of Procurement	Value (UGX)
1.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007)	110,599,650
2.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008)	79,621,815
3.	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001)	510,259,848
4.	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002)	83,032,950
5.	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006)	49,557,400
6.	Development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019)	246,974,000
7.	Renovation of maternity building at Najjembe Health Center III (LUG788/WRKS/19-20/00005)	12,354,300

Implication

Lack of contract supervisors could result into poor contract management and service delivery.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The User Departments should ensure that they nominate contract supervisors for appointment by the Accounting Officer in accordance with Regulation 119 (2) of the Local Government (PPDA) Regulations, 2006.

2.3.5 Irregular payments

The payments to providers in four (4) procurements worth UGX 278,254,415 were irregular as indicated in Table 15:

Table 14 : Procurements in which irregular payments were made

S/No	Subject of Procurement	Issues noted
1.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	The work executed as per IPC No. 1 dated 27 th March 2020 was UGX 91,001,610 of which UGX 82,055,689 should have been paid to the contractor. It was however noted that the contractor received UGX 81,264,437 as per EFT Voucher dated 26 th May 2020 referenced 29341566.
2.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	The work executed as per IPC No. 1 dated 25 th March 2020 was UGX 54,311,775 of which UGX 48,972,651 should have been paid to the contractor. It was however noted that the contractor received UGX 48,500,415 as per EFT Voucher dated 26 th May 2020 referenced 28863670.
3.	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950	The work executed as per IPC No. 1 dated 25 th March 2020 was UGX 35,719,845 of which UGX 32,208,403 should have been paid to the contractor. It was however noted that the contractor received UGX 31,897,821 as per EFT Voucher dated 19 th February 2020 referenced 27853890.
4.	Acquisition of piglets and feed	The audit noted that payments were made to Dr. James Vincent for the purchase of supplies without delegation of the procurements in contravention of Regulation 29 (1) of the Local Government (PPDA) Regulations, 2006 as indicated below: <ul style="list-style-type: none"> • On 6th August 2020, Dr. James Vincent Kabanda was paid UGX 4,000,000 as being payment for the supply of 2 gilts and 1 boar as per EFT voucher 30522994. • On 6th August 2020, Dr. James Vincent Kabanda was paid UGX 2,285,000 as being payment for the supply of feeds for a piggery demo site as per EFT voucher 30539092.

Implications

- There was a financial loss of UGX 3,494,436.28.
- Irregular payments dissuade potential providers from participating in procurement processes and ultimately affects competition.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

The Accounting Officer should caution, in writing, the contract supervisors for raiding payment requests that included errors.

2.3.6 Irregular variation of works

Variations were effected to the scope of the works as per IPC No. 1 worth UGX 19,659,700 (3.85%) without Contracts Committee approval in the procurement for construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848

Implication

This is indicative of a weak internal control mechanism within the Entity.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

The Head, Procurement and Disposal Unit and contract supervisors should ensure that change orders or variations due to changes in price, completion dates or statement of requirements of a contract to facilitate adaptations to unanticipated events or changes in requirements are undertaken in accordance with Regulation 120 of the Local Government (PPDA) Regulations, 2006.

2.3.7 Delayed payment

The audit noted that the payments in two (2) procurements worth UGX 190,221,465 were delayed against the contractual requirement of payment within 30 days as indicated below:

Table 15: Procurements in which payments were delayed

S/No	Subject of Procurement	Date of Receipt of Invoice	Date of Payment	Variance (Days)
1.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650	27 th March 2020	26 th May 2020	59
2.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815	23 rd March 2020	26 th May 2020	67

Implication

Delayed payments may lead to low bidder participation in the future.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendation

The Accounting Officer should ensure that providers are given full and timely payment in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2014.

2.3.8 Collection of revenue and management of revenue centres

The Entity, during the Financial Year under review, did not report any procurements pertaining to the collection of revenue from various revenue sources to the Authority. However, the audit noted that the Entity entered into contracts with individuals for the collection of revenue and management of revenue centres. The following irregularities were noted:

- i. Confirmation of availability of funding and approval to procure viz PP Form 1 was not signed by the Accounting Officer or an individual with delegated authority in any of the sampled procurement relating to the management and collection of revenue;
- ii. The Entity did not appoint contract supervisors to monitor the implementation of the contracts signed with service providers for the management and collection of revenue from the various revenue centres. Further, although the signed contracts provided for a six months review, there was no indication as to whether this had been undertaken;
- iii. There was no evidence on file of remittance of the collected revenue worth UGX 1,333,521,000;
- iv. There were no contract implementation plans maintained as part of the procurement action files;
- v. There were no solicitation documents maintained in the procurement action files;
- vi. Evaluation reports were not maintained as part of the procurement action files;
- vii. Failure to determine reserve prices. In a bid to increase the revenue base of the Entity, a number of revenue sources which included taxi parks and markets were introduced. However, the Authority noted that for all revenue sources, there was no evidence on file of how the User Departments determined the reserve prices.
- viii. Award of contracts to individuals not part of associations in the revenue centres. The Entity awarded the collection of revenue and management of revenue centres from markets and taxi parks to individuals and not associations contrary to the guidelines as provided by the Ministry of Local Government dated January 10th 2011.

Implications

- Failure to determine reserve prices could lead to loss of revenue by the PDE.
- Failure to remit collected revenue leads to financial losses on the part of the Entity.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

- The Accounting Officer should ensure that the firms procured to manage the revenue sources remit the collected funds as per the terms in the contract document.

- The Accounting Officer should ensure that User Departments determine reserve prices before the commencement of the procurements of service providers for the collection of revenue and management of revenue sources.
- Heads of User Departments should ensure that contract supervisors provide contract management records to the Procurement and Disposal Unit as per Section 34 (i) of the PPDA Act, 2003.
- The Accounting Officer should ensure that revenue source contracts are signed with associations as per the Government Policy decision on management of markets and taxi parks.

2.3.9 Force Account Mechanism

The Entity received a total of UGX 561,936,000 for works under the road sector in the financial year under review. The audit noted the following with regard to implementation of activities using the force account mechanism:

- i. Irregular use of the prequalification process. Regulation 34 (1) of the Local Government (PPDA) Regulations, 2006 states that Pre-qualification may be used under open national bidding or open international bidding to obtain a shortlist of bidders and to ensure that invitations to bid are confined to capable providers only. The audit noted that in the procurements for supply of fuel, oils and lubricants, the Entity irregularly awarded Local Purchase Orders to Baba Gapco for the purchase of fuel, oils and lubricants basing on a pre-qualification process contrary to the requirements under Regulation 34 given that pre-qualification is not an award process. It was further noted that the Local Purchase Orders awarded to Baba Gapco did not make explicit mention as to what types of fuel, oils and lubricants would be required and as such, the Local Purchase Orders did not include the unit rates upon which any purchases were to be based.
- ii. There was no evidence to indicate that there were submissions from the User Department to the Contracts Committee forwarded by the Procurement and Disposal Unit, explaining the circumstances giving rise to the need for use of Force Account and as such no evidence of Contracts Committee approvals.
- iii. There was no evidence to indicate that a competent and qualified member of staff of the Procuring and Disposing Entity was appointed to supervise the works to be undertaken using force account. It was further noted that there was no evidence of the appointment of a force account manager in contravention of the PPDA Circular No. 3 of 2012. As a result, the following documents that should have been prepared by the supervisor were missing:
 - a) Detailed work programme for approval of the Accounting Officer;
 - b) Daily work sheets indicating the resources used and the works executed
 - c) Works management plans;
 - d) Supervision reports detailing the progress of the assignments;
 - e) Reports on the direct and indirect costs of the works;
 - f) Performance and completion certificates in respect of the assignments; and
 - g) Periodic progress reports and at the completion of the assignments, final reports.

- iv. The audit noted the following with regard to consumption of fuel
- a) During a verification visit to Baba Gapco Service Station, the audit noted that personalized motor vehicles were at times receiving fuel meant to be used for activities implemented under force account mechanism as indicated below:
 - i. 20 litres of petrol for UAG 812 X on 18th December 2019 worth UGX 77,200.
 - ii. 10 litres of petrol for UAG 812 X on 19th December 2019 worth UGX 38,600.
 - iii. 40 litres of diesel for UAK 141 G on 20th December 2019 worth UGX 142,800.
 - iv. 10 litres of petrol for UAG 812 X on 21st December 2019 worth UGX 38,600.
 - v. 10 litres of petrol for UAG 812 X on 23rd December 2019 worth UGX 38,600.
 - vi. 50 litres of diesel for UAK 141 G on 28th December 2019 worth UGX 178,500.
 - vii. 20 litres of petrol for UAG 812 X on 18th December 2019 worth UGX 77,200.
 - viii. 15 litres of petrol for UAG 812 X on 2nd January 2020 worth UGX 57,900.
 - ix. 10 litres of petrol for UAG 812 X on 3rd January 2020 worth UGX 38,600.
 - x. 10 litres of petrol for UAG 812 X on 5th January 2020 worth UGX 38,600.
 - xi. 40 litres of diesel for UAK 141 G on 20th December 2019 worth UGX 142,800.
 - b) There were no fuel consumption sheets indicating how fuel for the equipment was consumed. For example, Baba Gapco was paid UGX 9,000,000 on 19th February 2020, and UGX 12,000,000 on 12th December 2019 as being payment for the supply of fuel and lubricants consumed during the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) as per voucher 98/12 but there were no equipment fuel consumption sheets indicating how the fuel was consumed. It was further noted that for the aforementioned road, the total amount paid for the supply of fuel and lubricants was UGX 21,000,000 against the planned and approved amount of UGX 19,631,000.
 - c) Fuel amounting to 105 litres was expended to the water bowser for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000 against the planned and claimed amount of 420 litres leaving a variance of 315 litres unaccounted for.
 - d) In some instances, fuel for supervision of works under the force account mechanism was over and above exaggerated as indicated below:

S/No	Subject	Litres for supervision	Amount (UGX)
1.	Maintenance of Lubumba Road (4.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 49,311,700	500	1,945,000

S/No	Subject	Litres for supervision	Amount (UGX)
2.	Maintenance of Buvuma - Nabale Road (3.6 Km) (LUG788/Wrks/2019-20/00012) worth UGX 28,821,400	400	1,556,000
3.	Routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 38,809,000	500	1,945,000

- v. Maintenance and repairs on equipment and vehicles, including servicing were undertaken without adequate inspection reports detailing the need for the repairs. Further, there was no evidence on file of the delivery of the spares, completion of the repairs or servicing of the vehicles. As a result, there was no accountability provided on how the sums were surcharged for oil, lubricants and maintenance were dispensed.
- vi. Sums were paid to individuals from the Entity for the purchase of items such as setting out materials, sign posts, setting out materials that were used during implementation of works under force account mechanism but there was no evidence that a procurement process was undertaken to arrive at the providers. For example, on 18th December 2019, UGX 5,000,000 was paid to Mr. Daniel Kamyia as per voucher number 35/12as being payment for the preliminary requirements for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000 including provision of tips for the wheel loader at UGX 2,845,000, lunch for labourers at UGX 614,000, setting out of materials at UGX 200,000 and one traffic contract sign at UGX 31,000.
- vii. Repeated procurement of grade blades for each and every road maintenance project which would imply that the Entity either purchases inferior blades or unjustified expense on the grader blades as indicated below:

S/No	Subject	Date	Amount (UGX)
1.	Procurement of a grader blade (heavy duty) for maintenance of Lubumba Road (4.5 Km) (LUG788/Wrks/2019-20/00004)	6 th September 2019	1,700,000
2.	Procurement of a grader blade (heavy duty) for maintenance of Buvuma - Nabale Road (3.6 Km) (LUG788/Wrks/2019-20/00012)	6 th December 2019	1,700,000
3.	Procurement of a grader blade (heavy duty) for the routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division	6 th December 2019	1,700,000

S/No	Subject	Date	Amount (UGX)
	(2.5 Km) (LUG788/Wrks/2019-20/00004)		
4.	Procurement of a grader blade (light duty) for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010)	17 th October 2019	1,200,000
5.	Procurement of a grader blade (light duty) for the routine mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km) (LUG788/Wrks/2019-20/00004)	6 th December 2019	1,700,000

The audit further observed the following with regard to the purchase of grader blades:

- a) A physical verification visit to the stores revealed that used grader blades are not received or kept at the stores even after purchase of the new grader blades;
 - b) There was an unjustified variance of UGX 500,000 between the estimated cost of the light grader blades procured on 6th December 2019 for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) at UGX 1,200,000 and at UGX 1,700,000 for the routine mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km) (LUG788/Wrks/2019-20/00004).
 - c) On 23rd June 2019, Greenbuck Express Co. Ltd issued a receipt referenced 014 to Lugazi Municipal Council amounting to UGX 1,200,000 as evidence of payment for the pair of grader blades (Light Duty) for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010). It was noted that the receipt was issued 84 working days before initiation of the procurement on 17th October 2019.
- viii. The audit noted that although the projects were within the locale of the Entity, allowances for the staff undertaking works were paid at a per night rate instead of safari day in contravention of the Ministry of Public Service Standing Instructions on allowances facilitating duty.
- ix. There was no accountability provided for the funds received from the Uganda Road Fund.
- x. On 4th December 2020, UGX 5,000,000 was paid to Mr. Stephen Kyeswa (Assistant Engineering Officer) as being payment for rehabilitation of water resources in Najjembe Division that was to be undertaken using the force account mechanism. It was further noted that all the items purchased from Bukoba Enterprises worth UGX 1,370,000 were general hardware items such as cement, pick axes, steel and plastic pipes, wheel barrows and iron bars that could have been procured under framework agreement terms.
- xi. On 9th march 2020, a payment of UGX 4,990,000 was irregularly made directly to Mr. Nkwanga Musoke Robert, the Commercial Officer, for the purchase of hardcore, aggregate,

lakesand and labor for construction of 20 Lockups in Kinyoro Market to slab level (LUG788/WRKS/19-20/0010) worth UGX 10,290,000. The payment voucher was not signed by the person who received the money. Further, on 21st July 2020, another sum of UGX 5,300,000 was paid to the same officer for completion of the market lockups.

- xii. On 25th February 2020, UGX 3,844,000 and UGX 2,212,000 were irregularly paid to Mr. Kakaire Zaidi for the provision of fumigation services (LUG788/SRVCS/19-20/00020) but the fumigation activities were carried out on 7th May 2020 and 3rd May 2020 as per the receipt for the fumigation drugs and fuel for the fumigation of St Mary Primary School, Shalom Nursery and day care and surrounding areas.

Implication

Ignoring procurement structures and not following the Force Account guidelines implies that the Entity did not attain value for money and there was a likelihood of financial loss.

Management Response

Management acknowledged the query and pledged to rectify the anomaly.

Recommendations

- The Accounting Officer should ensure that accountability is made for all the funds received under force account.
- The Accounting Officer should take appropriate disciplinary action against the Municipal Engineer and the Assistant Engineer for failing to follow Force Account procedures.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1. Overall Audit Conclusion

The performance of Lugazi Municipal Council for the Financial Year 2019/20 was **highly unsatisfactory** with overall weighted average risk rating of **100%**.

The risk rating is as follows:

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

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 16: Weighted risk rating

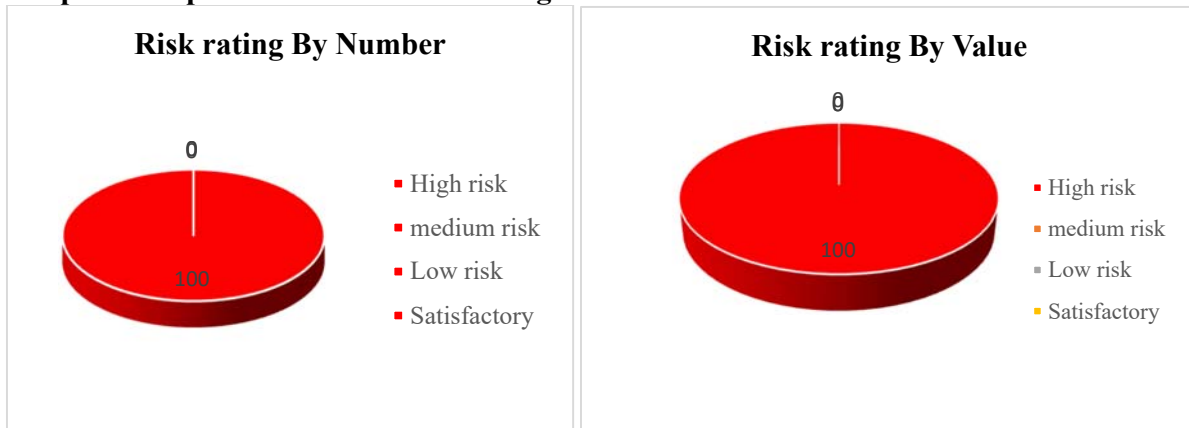
Risk Rating	%No	Weights	Weighted score by No.	%Value	Weights	Weighted score by value
High	100	0.6	60	100	0.6	60
Medium	Nil	0.3		Nil	0.3	
Low	Nil	0.1		Nil	0.1	
Satisfactory	Nil	0		Nil	0	
Total	100	1	60	100	1	60

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

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

$$\text{Combined Weighted Average} = \frac{100 + 100}{2} = 100\%$$

Graphical Representation of Risk Rating of contracts



3.2. Recommended Action Plan

Lugazi Municipal Council should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 17: Recommended actions and target dates

Origin	Recommended Action	Target Date
Accounting Officer	<ul style="list-style-type: none"> The Accounting Officer should establish a fully constituted Contracts Committee in accordance with Section 26 (a) and 27 (2) of the PPDA Act, 2003. The Accounting Officer should sign contracts for procurement or disposal activities on behalf of the Procuring and Disposing Entity (PDE) in accordance with Regulation 14 (f) of the Local Governments (PPDA) Regulations, 2014 to clarify working terms and avoid disputes among parties. The Accounting Officer should put in place a mechanism to monitor the implementation of the Authority's recommendations within all departments of the Entity. Where performance securities are required as part of the contractual obligations, the Accounting Officer should task all providers to furnish the Entity with the required performance securities before contracts are signed with the firms in accordance with Regulation 102 of the Local Governments (PPDA) Regulations, 2014. The Accounting Officer should release bid securities promptly to the unsuccessful bidders upon entry into contracts with the successful bidders in accordance with Regulation 50 (5) of the Local Governments (PPDA) Regulations, 2014. 	May 2021

Origin	Recommended Action	Target Date
Procurement and Disposal Unit	<ul style="list-style-type: none"> • The Procurement and Disposal Unit should prepare the annual procurement plan with all information as required in the format issued by the Authority in accordance with Regulation 62 (4) (b) of the Local Governments (PPDA) Regulations, 2014. • The Head Procurement and Disposal Unit should desist from use of brand names in order to create fair and open competition. • The Head Procurement and Disposal Unit should prepare quality solicitation documents in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2014. • The Procurement and Disposal Unit and Contracts Committee should oversee the bidding process for all procurement transactions to guarantee that it is conducted in a manner that is transparent in accordance with Regulation 66(4) and Regulation 70 (5) of the Local Governments (PPDA) Regulations, 2014. • The Procurement and Disposal Unit should maintain and archive records of the procurement and disposal process even for force account in accordance with Regulation 25 (1) (n) of the Local Governments (PPDA) Regulations, 2014. 	May 2021
Contracts Committee	The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity and accuracy before approval.	May 2021
User Departments	<ul style="list-style-type: none"> • User Departments should initiate all procurement requirements in accordance with Regulation 65 of the Local Governments (PPDA) Regulations, 2014. • The Heads of User Departments should nominate contract supervisors for all procurements in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2014. • The Heads of User Departments should task contract supervisors to prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2014. • The Heads of User Departments should prevail over Contract Supervisors to prepare reports on contract implementation and forward them to the Procurement and Disposal Unit in accordance to Regulation 119 	May 2021

Origin	Recommended Action	Target Date
	(10) (f) of the Local Governments(PPDA) Regulations, 2014.	
Internal Controls	The Internal Audit Department should audit the procurement and disposal processes as required under Regulation 28 of the Local Government (PPDA) Regulations 2014.	May 2021

ANNEXES

Annex A: Summary Case by Case

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00001	
1.3	Contract Description:	Construction of the first floor of the office block at Lugazi Municipal Council (LUG788/Wrks/2019-20/00001) worth UGX 510,259,848		
1.4	Source of funding	GoU	User-Dpt	Administration
1.5	Name of Provider:	Zebra Associates Limited		
1.6	Total Contract Value Inclusive VAT	UGX 510,259,848		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		
1.10	Procurement Method:-	Open Domestic Bidding		
1.11	Consultant Selection Method:-	NA		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	Bid Notice		
1.14	Bid Submission Method:-	One stage single Envelope		
1.15	Contract Type:-	Admeasurement (23 rd October 2019)		
	EXCEPTIONS <ul style="list-style-type: none"> • Form 1 initiating the procurement was missing from the procurement action file. • The solicitation document issued to the bidders indicated that a margin of preference would not apply. • Use of the brand name “Union” in the description of the ironmongery as per Element No. 5 Items H, I and J of the bills of quantities. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation and setting to work of balustrades, balusters, hand rails including all associated finished and builder’s work in connection all described in the specifications and drawings for which the best evaluated bidders quoted UGX 8,000,000 as per Element No. 6 Item K. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work electrical appliances and fittings including all associated building’s work in connection all as described in the specifications and drawings for which the best evaluated bidders quoted UGX 20,000,000 as per Element No. 7 Item A. 			

<ul style="list-style-type: none"> • Use of the brand name “Armitage Shanks” in the description of the sanitary appliances as per Element No. 8 of the bills of quantities. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work the water supply and fixing pipework fittings including all associated building’s work in connection all as described in the specifications and drawings for which the best evaluated bidders quoted UGX 5,000,000 as per Element No. 7 Item A. • Unjustified requirement for bidders to quote for a provisional sum for the supply, installation, connection and setting to work the drainage including all associated building’s work in connection all as described in the specifications and drawings for which the best evaluated bidders quoted UGX 5,000,000 as per Element No. 7 Item A. • Contracts Committee decision maintained on file were only signed by the Secretary to the Contracts Committee (Mr. Ramathan Juuko Sadalah). • There was no evidence of Contracts Committee approval of the addendum No. 1 extending the deadline for receipt of bids from 10th July 2019 to 25th July 2019. • Evaluation of bids was undertaken by only Mr. George Karlmarx Mujinda (Treasurer) and Mr. Ramathan Juuko Sadalah. There committee that undertook the evaluation of bids did not include an individual with the technical expertise in the procurement subject. Further, although approved by the Contracts Committee, Mr. Kanya Daniel (Municipal Engineer) did participate in the evaluation of bids. • Evaluation Committee did not sign the ethical code of conduct. • Irregular financial evaluation of bids that led to a loss to the Entity. UGX 368,727,020 • There was no evidence that a post-qualification of the best evaluated bidder was undertaken. • Mr. Stanley Mugenyi proposed by Zebra Associates Limited as the contract manager did not meet the requirement of a minimum of 5 of five years of experience in works of a similar nature and complexity as those bided for. • Zebra Associates Limited did not submit with its bid an environment management plan or a health and safety plan. It was further noted that Rinack Holdings Limited that quoted UGX 507,552,014 was eliminated from the evaluation process for failure to submit both an environment management plan and a health and safety plan. Additionally, it was indicated that Rinack Holdings Limited did not submit with its bid, audited books of account for 2018, 2017 and 2016 which were upon review of the bid submitted by the bidder found to be part of the bid. Had the Evaluation Committee treated the bidders fairly, it would have saved UGX 2,707,834. • Mr. Joseph Lukwago proposed by Zebra Associates Limited as the site engineer/agent did not meet the requirement of being a civil engineer with a minimum of 5 of five years of experience in works of a similar nature and complexity as those bided for. • Zebra Associates Limited did not provide evidence of the lease or ownership of 1 concrete mixer, 2 No. 7 tonne tipper trucks, 2 concrete poker vibrators and 2 dumper trucks. • Variations were effected to the scope of the works as per IPC No. 1 worth UGX 19,659,700 (3.85%) without Contracts Committee approval. • No evidence of appointment of a contract manager. • No contract management reports and progress reports.
--

	<ul style="list-style-type: none"> Missing Payment records.
--	--

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Srvcs/2019-20/00019	
1.3	Contract Description:	Development of a physical development plan for Lugazi Municipality (LUG788/Srvcs/2019-20/00019) worth UGX 246,974,000		
1.4	Source of funding	USMID	User-Dpt	Planning
1.5	Name of Provider:	Arcon Surveyors and Engineering Consultants		
1.6	Total Contract Value Inclusive VAT	UGX 246,974,000		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		
1.10	Procurement Method:-	N/A		
1.11	Consultant Selection Method:-	Request for Proposals without Expression of Interest		
1.12	Procurement Category:-	Consultancy Services		
1.13	Bidder Invitation Method:-	Bid Notice		
1.14	Bid Submission Method:-	Two stage single Envelope		
1.15	Contract Type:-	Percentage (10 th March 2020)		
	EXCEPTIONS <ul style="list-style-type: none"> Use of a contract format not prescribed by the Authority. Large variance of UGX 196,974,000 (493.948%) between the planned and estimated amount of UGX 50,000,000 and the final contract sum of X 246,974,000. Latitude Consulting Group was the only firm to have been issued the request for proposals document as per LG PP Form 6. It was however noted that proposals were received and opened from Latitude Consulting Group, Arcon Surveyors and Engineering Consultants (the best evaluated bidder) and Realtek Consults Limited. Arcon Surveyors and Engineering Consultants was unfairly awarded more merit points for criteria that other bidders qualified for. Consequently, the bidder was recommended as best evaluated bidder. 			

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00007	

1.3	Contract Description:	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division (LUG788/Wrks/2019-20/00007) worth UGX 110,599,650		
1.4	Source of funding	Local Revenue	User-Dpt	Health
1.5	Name of Provider:	Rinack Holdings Limited		
1.6	Total Contract Value Inclusive VAT	UGX 110,599,650		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		
1.10	Procurement Method:-	Open Domestic Bidding		
1.11	Consultant Selection Method:-	NA		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	Bid Notice		
1.14	Bid Submission Method:-	One stage single Envelope		
1.15	Contract Type:-	Admeasurement (22 nd November 2019)		
	<p>EXCEPTIONS</p> <ul style="list-style-type: none"> • Use of a contract format not prescribed by the Authority. • Change of scope. • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administrative costs without giving adequate description of these administrative costs. The best evaluated bidder quoted UGX 5,266,650 to cater for administrative costs. • Use of the brand name “Union” in the description of the ironmongery. • Use of the brand name “Armitage Shanks” in the description of the sanitary fittings. • Use of the brand name MK in the description of the electrical installations. • No contract implementation plan. • No evidence of submission of a performance security worth 10% of the value of the contract. • There was no evidence that a post-qualification of bids was undertaken. • Unjustified recommendation of Rinack Holdings Limited as the best evaluated bidder at a cost of UGX 110,599,650. Kano Building Contractors Limited quoted UGX 87,412,500 to undertake the work but was ranked second behind Rinack Holdings Limited on the basis that the bidder had quoted a price that was outside the +/-10% range of the estimated cost at initiation of UGX 112,000,000. Consequently, Rinack Holdings Limited was recommended for award of contract. There was as a result, a financial loss of UGX 23,187,150. • Irregular payment. The work executed as per IPC No. 1 dated 27th March 2020 was UGX 91,001,610 of which UGX 82,055,689 should have been paid to the contractor. It was however noted that the contractor received UGX 81,264,437 as per EFT Voucher dated 26th May 2020 referenced 29341566. 			

	<ul style="list-style-type: none"> • Delayed payment of IPC No. 1 on 26th May 2020 after receipt and certification of the invoice from the supplier on 27th March 2020. • Expiry of the contract on 23rd March 2020 yet progress report dated 27th March 2020 indicated that 80% of the work had be completed. • No contract implementation plan. • No evidence of appointment of a contract manager. • Missing monthly progress reports. • Evidence of completion.
--	---

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00008	
1.3	Contract Description:	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School (LUG788/Wrks/2019-20/00008) worth UGX 79,621,815		
1.4	Source of funding	GoU	User-Dpt	
1.5	Name of Provider:	Rosanah Investments Limited		
1.6	Total Contract Value Inclusive VAT	UGX 79,621,815		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		
1.10	Procurement Method:-	Open Domestic Bidding		
1.11	Consultant Selection Method:-	NA		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	Bid Notice		
1.14	Bid Submission Method:-	One stage single Envelope		
1.15	Contract Type:-	Admeasurement (22 nd November 2019)		
	EXCEPTIONS			
	<ul style="list-style-type: none"> • Use of a contract format not prescribed by the Authority. • No evidence of submission of a performance security worth 10% of the value of the contract in contravention of GCC 52.1. • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administration costs without giving adequate description of these administration costs. The best evaluated bidder quoted UGX 3,791,515 to cater for administration costs. • Rosanah Investments Limited quoted UGX 3,000,000 to cater for site restoration (600,000), tree planting i.e. mangoes, avocados and shade trees 10 No. (200,000), grass planting around the facility after completion (700,000) and environmental health 			

	<p>and safety (UGX 1,500,000). There was no evidence during physical verification that the provider restored the site after completion of the contract.</p> <ul style="list-style-type: none"> • Although bidders were requested to quote for the supply of furniture, there were no specifications or drawings provided for the aforementioned furniture. • Margin of preference was unjustifiably waived from the solicitation document issued to bidders. • There was no evidence that a post-qualification of bids was undertaken. • Rosanah Investments Limited did not meet the requirement for submission of proposals for the timely acquisition (own, lease, hire, etc.) of the following equipment: 1 Concrete Mixers (0.3M³), 2 Concrete poker vibrators and 2 Dumper trucks. Additionally, the site Engineer/Agent proposed by Rosanah Investments Limited did not meet the requirement of being a civil engineer. • Rosanah Investments Limited did not meet the requirement of possession of liquid assets and/or credit facilities, net of other contractual commitments and exclusive of any advance payments which may be made under the Contract, of no less than UGX 200 Million. • Irregular payment. The work executed as per IPC No. 1 dated 25th March 2020 was UGX 54,311,775 of which UGX 48,972,651 should have been paid to the contractor. It was however noted that the contractor received UGX 48,500,415 as per EFT Voucher dated 26th May 2020 referenced 28863670. • Delayed payment of IPC No. 1 on 26th May 2020 after receipt and certification of the invoice from the supplier on 23rd March 2020. • Expiry of the contract on 23rd March 2020 yet IPC No.1 dated 25th March 2020 indicated that 68.2% of the work had be completed. • No evidence of appointment of a contract manager. • No contract implementation plan. • Missing monthly progress reports. • Evidence of completion.
--	--

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00002	
1.3	Contract Description:	Construction of a two-classroom block with an office at Kungu Bahai Primary School (LUG788/Wrks/2019-20/00002) worth UGX 83,032,950		
1.4	Source of funding	GoU	User-Dpt	Education
1.5	Name of Provider:	Kano Building Contractors		
1.6	Total Contract Value Inclusive VAT	UGX 83,032,950		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		

1.10	Procurement Method:-	Open Domestic Bidding
1.11	Consultant Selection Method:-	NA
1.12	Procurement Category:-	Supplies
1.13	Bidder Invitation Method:-	Works
1.14	Bid Submission Method:-	One stage single Envelope
1.15	Contract Type:-	Admeasurement (22 nd November 2019)
	<p>EXCEPTIONS</p> <ul style="list-style-type: none"> • Use of a contract format not prescribed by the Authority. • No evidence of submission of a performance security worth 10% of the value of the contract in contravention of GCC 52.1. • Engineer Daniel Kamyia did not sign the evaluation report dated 1st November 2019. Only Mr. Chouldry and Mr. Juuko Sadalah Ramathan signed the evaluation report. • There was no evidence that a post-qualification was undertaken. • Margin of preference was unjustifiably waived from the solicitation document issued to the bidders. • The bills of quantities in the solicitation document required the addition of 5% of the cost of the project to cater for administration costs without giving adequate description of these administration costs. The best evaluated bidder quoted UGX 3,953,950 to cater for administration costs. • Missing record of opening of bids. • Kano Builders Limited quoted UGX 273,000 to cater for site restoration (50,000), tree planting i.e. mangoes, avocados and shade trees 10 No. (100,000), grass planting around the facility after completion (100,000) and environmental health and safety (UGX 23,000). • Use of the brand name “Union” in the description of the iron monger. • Although bidders were requested to quote for the supply of furniture, there were no specifications or drawings provided for the aforementioned furniture. • Kano Builders Limited could not have met the criterion of an average annual volume of construction work for the past four (04) years of at least UGX 200 Millions as the firm was incorporated and registered on 18th August 2017. It was further noted that the bidder submitted audited books of accounts and yet it was registered and incorporated on 18th August 2017 and as such the books of accounts for 2016 were most likely to have been forged. • Irregular payment. The work executed as per IPC No. 1 dated 25th March 2020 was UGX 35,719,845 of which UGX 32,208,403 should have been paid to the contractor. It was however noted that the contractor received UGX 31,897,821 as per EFT Voucher dated 19th February 2020 referenced 27853890. • No evidence of appointment of a contract manager. • No contract implementation plan. • Missing monthly progress reports. • Evidence of completion. 	

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Srvcs/2019-20/00006	
1.3	Contract Description:	Valuation of property in Lugazi Municipality (LUG788/Srvcs/2019-20/00006) worth UGX 49,557,400		
1.4	Source of funding	Local Revenue	User-Dpt	Planning
1.5	Name of Provider:	Wrok Valuation Consultants Limited		
1.6	Total Contract Value Inclusive VAT	UGX 49,557,400		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Implementation		
1.10	Procurement Method:-	N/A		
1.11	Consultant Selection Method:-	NA		
1.12	Procurement Category:-	Supplies		
1.13	Bidder Invitation Method:-	Bid Notice		
1.14	Bid Submission Method:-	One stage single Envelope		
1.15	Contract Type:-	Framework (9 th January 2020)		
	<p>EXCEPTIONS</p> <ul style="list-style-type: none"> ITB 19 of the solicitation document issued to the bidders provided that a bid security worth UGX 750,000 would be required in the form of a demand guarantee, an irrevocable letter of credit, a cashier's or certified check or another security indicated in the BDS, from a reputable source from an eligible country. The Bid Security shall be submitted either using the Bid Security Form included in Section 4, Bidding Forms, or in another substantially similar format. In either case, the form must include the complete name of the Bidder. This was against the PS/STs circular on securities to be submitted. The Accounting Officer did not confirm availability of funding for the procurement as per LG PP Form 1. Additionally, the form was not dated by either the individual who initiated the procurement or the individual who confirmed the request to procure. There was no evidence of Contracts Committee approval of addendum No. 1. The procurement was treated by the Entity as a procurement of a non-consultancy service and yet should have been treated as a consultancy service. The record of issue of the solicitation document viz LG PP Form 6 indicated that only Wrok Valuation Consultants Limited and Stanfield Property Partners were issued the solicitation document while LG PP Forms 9 and 10 indicated that Wrok Valuation Consultants Limited, Stanfield Property Partners and Peak Partners Limited returned bids that were opened and evaluated. Additionally, LG PP Form 9 pertaining to the 			

	<p>receipt of bids was not signed off by the individual who managed the receipt process of a witness to the receipt of bids.</p> <ul style="list-style-type: none"> • Margin of preference was waived from the solicitation document issued to bidders. • The solicitation document issued to bidders did not include adequate terms of reference or detailed technical evaluation criteria. • GCC 22.2 of the solicitation document issued to bidders provided that the payment schedule would be based on percentages without actually providing a proposed percentage payment schedule. • The solicitation document issued to the bidders did not require the submission of a valuation practicing certificate issued by the Surveyors Registration Board. • Introduction of criteria during evaluation of bids. It was noted that bidders were evaluated by the Evaluation Committee on the criteria of work experience, qualification of staff and experience of staff and yet the solicitation document issued to bidders did not include any detailed technical evaluation criteria. • Delayed signing of the contract on 10th December 2019 after expiry of the Notice of Best Evaluated Bidder on 2nd October 2019. • Use of a contract format not prescribed by the Authority. • Expiry of the contract on 11th March 2020 without evidence of completion. • No evidence of appointment of a contract manager. • No contract implementation plan. • Missing progress reports. • Missing inception report. • Missing valuation reports. • Missing final reports. • No evidence of payment. • Missing Notice of Best Evaluated Bidder.
--	---

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Supls/2019-20/000	
1.3	Contract Description:	Procurement of inputs, equipment and materials for selected groups under DDEG worth UGX 10,000,000		
1.4	Source of funding	GoU	User-Dpt	Lugazi Central Division
1.5	Name of Provider:			
1.6	Total Contract Value Inclusive VAT	UGX 10,000,000 B-Star Graphics and Stationers – UGX 1,150,000 H.M.S Printers and Stationers – UGX 1,300,000 Jacob Ssemwogerere – UGX 1,150,000 Perfect Machines and Engineering – UGX 2,800,000 Zimula Hardware – UGX 390,000 Kongei General Traders SMC Limited – UGX 2,500,000		

1.7	Law applicable	PPDA Act, 2003
1.8	Type of provider	National
1.9	Process Stage	Implementation
1.10	Procurement Method:-	Community Purchase
1.11	Consultant Selection Method:-	NA
1.12	Procurement Category:-	Supplies
1.13	Bidder Invitation Method:-	NA
1.14	Bid Submission Method:-	NA
1.15	Contract Type:-	NA
<p>EXCEPTIONS</p> <ul style="list-style-type: none"> • The Senior Assistant Town Clerk, Ms. M. Luwaga confirmed availability of funding for the procurement on 19th December 2020 without delegated authority. • The Contracts Committee on 29th January 2020 unjustifiably approved the use of the community purchase procurement method and yet the estimated value of the procurement was UGX 10,000,000. Additionally, out of the 10 beneficiary groups, only two had requested for items worth less than the threshold of UGX 500,000 for use of the community purchase method. • Delayed Contracts Committee approval of the procurement method on 29th January 2020 after submission by the procurement and disposal unit on 19th December 2019. • B-Star Graphics and Stationers from whom paper materials worth UGX 1,150,000 were purchased has an address of Plot 7 Nasser Road in Kampala. Additionally, although the invoice for the supply of paper was issued by B-Star Graphics and Stationers, the payment was effected to Mr. Jacob Ssemwogerere. • The procurement was undertaken by a committee consisting of Mr. Stephen Mpiima (Division Chairperson), Ms. Milly Luwaga (Senior Assistant Town Clerk), Mr. Richard Otwal Lapa (Division Treasurer) and Mr. Jacob Ssemwogerere (Community Development Officer) without formal delegation of the procurement function by the Contracts Committee. • There were no specifications provided for the supplies to be procured. • Perfect Machines and Engineering from whom a grinding machine worth UGX 2,800,000 was purchased has an address of Katwe OPP in Kampala. Additionally, although the invoice for the supply of the grinding machine was issued by Perfect Machines and Engineering, the payment was effected to Mr. Jacob Ssemwogerere. • Zimula Hardware from whom a 6 foot crumps worth UGX 390,000 was purchased has an address of Gaggawala Shawuliyako in Kampala. • Kongei General Traders SMC Limited from whom a sugar cane juice extraction machine worth UGX 2,500,000 was purchased has an address of Total-Delux House in Kampala. Additionally, although the invoice for the supply of the sugar cane juice extraction machine was issued by Kongei General Traders SMC Limited, the payment was effected to Mr. Jacob Ssemwogerere. • Missing goods received notes. 		

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00003	
1.3	Contract Description:	<ul style="list-style-type: none"> • Routine mechanized maintenance of 3Kms of Nakibole – Kasokoso Road (LUG788/Wrks/2019-20/00003) worth UGX 33,919,500 • Maintenance of Lubumba Road (4.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 49,311,700 • Maintenance of Buvuma - Nabale Road (3.6 Km) (LUG788/Wrks/2019-20/00012) worth UGX 28,821,400 • Routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 38,809,000 • Opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000 • Routine mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km) (LUG788/Wrks/2019-20/00004) 		
1.4	Source of funding	GoU	User-Dpt	Works
1.5	Name of Provider:			
1.6	Total Contract Value Inclusive VAT			
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Completed		
1.10	Procurement Method:-	N/A		
1.11	Consultant Selection Method:-	N/A		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	N/A		
1.14	Bid Submission Method:-	N/A		
1.15	Contract Type:-	Force Account		
	EXCEPTIONS <ol style="list-style-type: none"> i. Irregular use of the prequalification process. Regulation 34 (1) of the Local Government (PPDA) Regulations, 2006 states that Pre-qualification may be used under open national bidding or open international bidding to obtain a shortlist of bidders and to ensure that invitations to bid are confined to capable providers only. The audit noted that in the procurements for supply of fuel, oils and lubricants, the Entity irregularly awarded Local Purchase Orders to Baba Gapco for the purchase 			

	<p>of fuel, oils and lubricants basing on a pre-qualification process contrary to the requirements under Regulation 34 given that pre-qualification is not an award process. It was further noted that the Local Purchase Orders awarded to Baba Gapco did not make explicit mention as to what types of fuel, oils and lubricants would be required and as such, the Local Purchase Orders did not include the unit rates upon which any purchases were to be based.</p> <p>ii. There was no evidence to indicate that there were submissions from the User Department to the Contracts Committee forwarded by the Procurement and Disposal Unit, explaining the circumstances giving rise to the need for use of Force Account and as such no evidence of Contracts Committee approvals.</p> <p>iii. There was no evidence to indicate that a competent and qualified member of staff of the Procuring and Disposing Entity was appointed to supervise the works to be undertaken using force account. It was further noted that there was no evidence of the appointment of a force account manager in contravention of the PPDA Circular No. 3 of 2012. As a result, the following documents that should have been prepared by the supervisor were missing:</p> <ul style="list-style-type: none"> h) Detailed work programme for approval of the Accounting Officer; i) Daily work sheets indicating the resources used and the works executed j) Works management plans; k) Supervision reports detailing the progress of the assignments; l) Reports on the direct and indirect costs of the works; m) Performance and completion certificates in respect of the assignments; and n) Periodic progress reports and at the completion of the assignments, final reports. <p>iv. The audit noted the following with regard to consumption of fuel</p> <ul style="list-style-type: none"> a) During a verification visit to Baba Gapco Service Station, the audit noted that personalized motor vehicles were at times receiving fuel meant to be used for activities implemented under force account mechanism as indicated below: <ul style="list-style-type: none"> i. 20 litres of petrol for UAG 812 X on 18th December 2019 worth UGX 77,200. ii. 10 litres of petrol for UAG 812 X on 19th December 2019 worth UGX 38,600. iii. 40 litres of diesel for UAK 141 G on 20th December 2019 worth UGX 142,800. iv. 10 litres of petrol for UAG 812 X on 21st December 2019 worth UGX 38,600. v. 10 litres of petrol for UAG 812 X on 23rd December 2019 worth UGX 38,600. vi. 50 litres of diesel for UAK 141 G on 28th December 2019 worth UGX 178,500. vii. 20 litres of petrol for UAG 812 X on 18th December 2019 worth UGX 77,200.
--	---

- viii. 15 litres of petrol for UAG 812 X on 2nd January 2020 worth UGX 57,900.
- ix. 10 litres of petrol for UAG 812 X on 3rd January 2020 worth UGX 38,600.
- x. 10 litres of petrol for UAG 812 X on 5th January 2020 worth UGX 38,600.
- xi. 40 litres of diesel for UAK 141 G on 20th December 2019 worth UGX 142,800.

b) There were no fuel consumption sheets indicating how fuel for the equipment was consumed. For example, Baba Gapco was paid UGX 9,000,000 on 19th February 2020, and UGX 12,000,000 on 12th December 2019 as being payment for the supply of fuel and lubricants consumed during the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) as per voucher 98/12 but there were no equipment fuel consumption sheets indicating how the fuel was consumed. It was further noted that for the aforementioned road, the total amount paid for the supply of fuel and lubricants was UGX 21,000,000 against the planned and approved amount of UGX 19,631,000.

c) Fuel amounting to 105 litres was expended to the water bowser for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000 against the planned and claimed amount of 420 litres leaving a variance of 315 litres unaccounted for.

d) In some instances, fuel for supervision of works under the force account mechanism was over and above exaggerated as indicated below:

S/No	Subject	Litres for supervision	Amount (UGX)
4.	Maintenance of Lubumba Road (4.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 49,311,700	500	1,945,000
5.	Maintenance of Buvuma - Nabale Road (3.6 Km) (LUG788/Wrks/2019-20/00012) worth UGX 28,821,400	400	1,556,000
6.	Routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km) (LUG788/Wrks/2019-20/00004) worth UGX 38,809,000	500	1,945,000

	<p>v. Maintenance and repairs on equipment and vehicles, including servicing were undertaken without adequate inspection reports detailing the need for the repairs. Further, there was no evidence on file of the delivery of the spares, completion of the repairs or servicing of the vehicles. As a result, there was no accountability provided on how the sums were surcharged for oil, lubricants and maintenance were dispensed.</p> <p>vi. Sums were paid to individuals from the Entity for the purchase of items such as setting out materials, sign posts, setting out materials that were used during implementation of works under force account mechanism but there was no evidence that a procurement process was undertaken to arrive at the providers. For example, on 18th December 2019, UGX 5,000,000 was paid to Mr. Daniel Kanya as per voucher number 35/12as being payment for the preliminary requirements for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) worth UGX 26,000,000 including provision of tips for the wheel loader at UGX 2,845,000, lunch for labourers at UGX 614,000, setting out of materials at UGX 200,000 and one traffic contract sign at UGX 31,000.</p> <p>vii. Repeated procurement of grade blades for each and every road maintenance project which would imply that the Entity either purchases inferior blades or unjustified expense on the grader blades as indicated below:</p>		
6.	Procurement of a grader blade (heavy duty) for maintenance of Lubumba Road (4.5 Km) (LUG788/Wrks/2019-20/00004)	6 th September 2019	1,700,000
7.	Procurement of a grader blade (heavy duty) for maintenance of Buvuma - Nabale Road (3.6 Km) (LUG788/Wrks/2019-20/00012)	6 th December 2019	1,700,000
8.	Procurement of a grader blade (heavy duty) for the routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km) (LUG788/Wrks/2019-20/00004)	6 th December 2019	1,700,000
9.	Procurement of a grader blade (light duty) for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010)	17 th October 2019	1,200,000
10.	Procurement of a grader blade (light duty) for the routine	6 th December 2019	1,700,000

		<p>mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km) (LUG788/Wrks/2019-20/00004)</p>		
<p>The audit further observed the following with regard to the purchase of grader blades:</p>				
<ul style="list-style-type: none"> a) A physical verification visit to the stores revealed that used grader blades are not received or kept at the stores even after purchase of the new grader blades; b) There was an unjustified variance of UGX 500,000 between the estimated cost of the light grader blades procured on 6th December 2019 for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010) at UGX 1,200,000 and at UGX 1,700,000 for the routine mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km) (LUG788/Wrks/2019-20/00004). c) On 23rd June 2019, Greenbuck Express Co. Ltd issued a receipt referenced 014 to Lugazi Municipal Council amounting to UGX 1,200,000 as evidence of payment for the pair of grader blades (Light Duty) for the opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road (LUG788/Wrks/2019-20/00010). It was noted that the receipt was issued 84 working days before initiation of the procurement on 17th October 2019. 				
viii.	<p>The audit noted that although the projects were within the locale of the Entity, allowances for the staff undertaking works were paid at a per night rate instead of safari day in contravention of the Ministry of Public Service Standing Instructions on allowances facilitating duty.</p>			
ix.	<p>There was no accountability provided for the funds received from the Uganda Road Fund.</p>			
x.	<p>On 4th December 2020, UGX 5,000,000 was paid to Mr. Stephen Kyeswa (Assistant Engineering Officer) as being payment for rehabilitation of water resources in Najjembe Division that was to be undertaken using the force account mechanism. It was further noted that all the items purchased from Bukoba Enterprises worth UGX 1,370,000 were general hardware items such as cement, pick axes, steel and plastic pipes, wheel barrows and iron bars that could have been procured under framework agreement terms.</p>			
xi.	<p>On 9th march 2020, a payment of UGX 4,990,000 was irregularly made directly to Mr. Nkwanga Musoke Robert, the Commercial Officer, for the purchase of hardcore, aggregate, lake sand and labor for construction of 20 Lockups in Kinyoro Market to slab level (LUG788/WRKS/19-20/0010) worth UGX 10,290,000. The payment voucher was not signed by the person who received the money. Further, on 21st July 2020, another sum of UGX 5,300,000 was paid to the same officer for completion of the market lockups.</p>			

	xii. On 25 th February 2020, UGX 3,844,000 and UGX 2,212,000 were irregularly paid to Mr. Kakaire Zaidi for the provision of fumigation services (LUG788/SRVCS/19-20/00020) but the fumigation activities were carried out on 7 th May 2020 and 3 rd May 2020 as per the receipt for the fumigation drugs and fuel for the fumigation of St Mary Primary School, Shalom Nursery and day care and surrounding areas.
--	--

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government
1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00004	
1.3	Contract Description:	Rehabilitation of water sources in Lugazi Municipal Council (LUG788/Wrks/2019-20/00004) worth UGX 9,900,000		
1	Source of funding	GoU	User-Dpt	Works
1.5	Name of Provider:			
1.6	Total Contract Value Inclusive VAT	UGX 9,900,000		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Completed		
1.10	Procurement Method:-	N/A		
1.11	Consultant Selection Method:-	N/A		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	N/A		
1.14	Bid Submission Method:-	N/A		
1.15	Contract Type:-	Force Account		
	EXCEPTIONS			
	<ul style="list-style-type: none"> On 4th December 2020, UGX 5,000,000 was paid to Mr. Stephen Kyeswa (Assistant Engineering Officer) as being payment for rehabilitation of water resources in Najjembe Division. Mr. Stephen Kyeswa undertook the procurement and yet was not delegated to procure the items. Consequently, there was no competition and there may not have been value for money. All the items purchased from Bukoba Enterprises worth UGX 1,370,000 were general hardware items such as cement, pick axes, steel and plastic pipes, wheel barrows and iron bars. 			

PART A: COMPLIANCE CRITERIA				
1	IDENTIFICATION			
1.1	Name of Entity:	LUGAZI MC	Sector:	Local Government

1.2	Audit Period: 2019/20	Reference No.:	LUG788/Wrks/2019-20/00004	
1.3	Contract Description:	Renovation of a slaughter slab in Najjembe Division Construction of a cattle crush in Kawolo Division Acquisition of piglets and fees		
1	Source of funding	Local Revenue	User-Dpt	Najjembe Division Kawolo Division
1.5	Name of Provider:			
1.6	Total Contract Value Inclusive VAT	UGX 5,500,000 UGX 5,000,000 UGX 5,000,000		
1.7	Law applicable	PPDA Act, 2003		
1.8	Type of provider	National		
1.9	Process Stage	Completed		
1.10	Procurement Method:-	N/A		
1.11	Consultant Selection Method:-	N/A		
1.12	Procurement Category:-	Works		
1.13	Bidder Invitation Method:-	N/A		
1.14	Bid Submission Method:-	N/A		
1.15	Contract Type:-	Force Account		
	<p>EXCEPTIONS</p> <ul style="list-style-type: none"> • Delayed Contracts Committee approval of the use of the force account mechanism and direct procurement method on 2th November 2019 after submission by the PDU on 29th September 2019. • On 6th August 2020, Dr. James Vincent Kabanda was paid UGX 4,000,000 as being payment for the supply of 2 gilts and 1 boar as per EFT voucher 30522994. • On 6th August 2020, Dr. James Vincent Kabanda was paid UGX 2,285,000 as being payment for the supply of feeds for a piggery demo site as per EFT voucher 30539092. • On 13th June 2020, Dr. James Vincent Kabanda paid Mr. Oscar Kyaaka UGX 400,000 for transportation of pigs from Gayaza to Luwayo in Gayaza Municipality. • Dr. James Vincent Kabanda undertooks the procurement and yet was not delegated to procure the items. Consequently, there was no competition and there may not have been value for money. 			

IDENTIFICATION			
Name of Entity:	LUGAZI MC	Sector:	HEALTH
Audit Period: 2019-2020	Reference No.:		LUG788/WRKS/19-20/00005
Contract Description:	Renovation of maternity building at Najjembe Health Center III (LUG788/WRKS/19-20/00005) worth UGX 12,354,300		
	Procurement funded by DDEG		
Name of Provider:	M/S Netcore Investments Limited		
Total Contract Value Inclusive VAT	UGX 12,354,300		
Type of provider	National		
Implementation	Incomplete		
Procurement Method:-	Selective domestic Bidding		
Consultant Selection Method:-	NA		
Procurement Category:-	Works		
Bidder Invitation Method:-	Shortlist		
Bid Submission Method:-	One Stage single Envelope		
Contract Type:-	Lumpsum		
EXCEPTIONS.			
<ul style="list-style-type: none"> • There was a variance of UGX 15,997,099 between the planned amount and the initiated value. Planned amount was UGX 8,002,901 while the initiated amount was UGX 24,000,000. • Evaluation report was not provided • Solicitation documents were not on file • No contract management records, progress reports on file • Record of bid opening was not provided on file • The contract amount was UGX 12,354,300, but there was no evaluation report or record of bid opening to show the amounts quoted by bidders and yet the best evaluated bidder quoted UGX 22,698,900 in their bid • The best evaluated bidder, Netcore Investments did not have the required experience, and they did not provide their audited books of accounts • There is no evidence to show that the evaluation report was approved by Contracts Committee • The bills of quantities attached to the contract were not priced. • The contract was signed on 12th March 2020 but there was no indication of site handover 			

IDENTIFICATION			
Name of Entity:	LUGAZI MC	Sector:	FINANCE
Audit Period: 2019-2020	Reference No.:		LUG788/SRVCS/19-20/00004
Contract Description:	Management and collection of revenue from Kinyoro Market in Lugazi Central Market		
	Procurement funded by		
Name of Provider:	M/S Masitulah General Construction Co Ltd		

Total Contract Value Inclusive VAT	UGX 3,050,000 per month
Type of provider	National
Implementation	Completed
Procurement Method:-	Open domestic Bidding
Consultant Selection Method:-	NA
Procurement Category:-	Non Consultancy Services
Bidder Invitation Method:-	Bid Notice
Bid Submission Method:-	One Stage single Envelope
Contract Type:-	Percentage
EXCEPTIONS.	
<ul style="list-style-type: none"> • Delay in contract signing. The contract was signed on 2nd august 2019, and yet commencement date of the services was 1st July 2019 • There were no contract management records on file. The contract states that the agreement would be reviewed after six months, however, there was no indication of whether this had been done • There was no evaluation report on file • Confirmation of availability of funds was not signed by the accounting officer on the procurement initiation form (pp form 1) • Pp form 1 did not have dates for initiation and approval • There is no evidence of any remittances made to Lugazi Municipal Council by the provider 	

IDENTIFICATION			
Name of Entity:		Sector:	
Audit Period: 2019-2020	Reference No.:		
Contract Description:	Collection of market fees from the Abattoir		
	Procurement funded by		
Name of Provider:			
Total Contract Value Inclusive VAT	UGX 600,000 per month		
Type of provider	National		
Implementation	Stalled		
Procurement Method:-	Open domestic Bidding		
Consultant Selection Method:-	NA		
Procurement Category:-	Non Consultancy Services		
Bidder Invitation Method:-	Bid Notice		
Bid Submission Method:-	One Stage single Envelope		
Contract Type:-	Percentage		
EXCEPTIONS.			
<ul style="list-style-type: none"> • There was no contract document on file 			

- There were no contract management records on file. The contract states that the agreement would be reviewed after six months, however, there was no indication of whether this had been done
- There was no evaluation report on file
- Confirmation of availability of funds was not signed by the accounting officer on the procurement initiation form (pp form 1)
- PP form 1 did not have dates for initiation and approval
- There was only one bid document on file

IDENTIFICATION			
Name of Entity:	LUGAZI MC	Sector:	
Audit Period: 2019-2020	Reference No.:	LUG788/srvcs/19-20/00003	
Contract Description:	Collection and management of revenue from slaughtering fees (chicken and butcheries) in Najjembe Division		
	Procurement funded by		
Name of Provider:	M/S Najjembe meat and chicken vendors association		
Total Contract Value Inclusive VAT	UGX 600,000 per month		
Type of provider	National		
Implementation	Implementation		
Procurement Method:-	Open domestic Bidding		
Consultant Selection Method:-	NA		
Procurement Category:-	Works		
Bidder Invitation Method:-	Bid Notice		
Bid Submission Method:-	One Stage single Envelope		
Contract Type:-	Percentage		
EXCEPTIONS.			
<ul style="list-style-type: none"> • There was no initiation form on file • Low bidder participation. Only the BEB participated in this procurement • There was no evaluation report on file • There were no contract management records on file. The contract states that the agreement would be reviewed after six months, however, there was no indication of whether this had been done • Pp form 1 did not have dates for initiation and approval • There was no evidence of any remittances made to Lugazi Municipal Council by the provider 			

IDENTIFICATION			
Name of Entity:		Sector:	
Audit Period: 2019-2020	Reference No.:	LUG788/WRKS/19-20/0010	
Contract Description:	Construction of 20 Lockups in Kinyoro Market to slab level (LUG788/WRKS/19-20/0010) worth UGX 10,290,000		
	Procurement funded by GOU		
Name of Provider:	VARIOUS		

Total Contract Value Inclusive VAT	UGX 10,290,000
Type of provider	National
Implementation	Completed
Procurement Method:-	Open domestic Bidding
Consultant Selection Method:-	NA
Procurement Category:-	Works
Bidder Invitation Method:-	Bid Notice
Bid Submission Method:-	One Stage single Envelope
Contract Type:-	Percentage
EXCEPTIONS.	
<ul style="list-style-type: none"> • The accounting officer did not confirm availability of funds on PP form 1 • The engineers estimate was UGX 31,857,000 for the construction of 20 lock ups, but the initiation form had an estimate of UGX 47,785,500 for 30 lock ups • An EFT payment of UGX 4,990,000 was paid directly to Mr. Nkwanga Musoke Robert, the commercial officer of Lugazi MC, to purchase hardcore, aggregate, lakesand and labor for construction on 9th march 2020. The payment voucher was not signed by the person who received the money • On 21st July 2020, another sum of UGX 5,300,000 was paid to the same officer for completion of the market lockups. The recipient never signed the EFT • There were no delivery notes from the suppliers to show that the materials were delivered to the MC for the construction • There were no LPOs to show that local suppliers participated in the procurement • There was no letter of appointment of the force account supervisor • There were no contract management reports on file 	

IDENTIFICATION			
Name of Entity:	LUGAZI MC	Sector:	HEALTH
Audit Period: 2019-20	Reference No.:	LUG788/SRVCS/19-20/00020	
Contract Description:	Provision of fumigation services (LUG788/SRVCS/19-20/00020)		
	Procurement funded by GOU		
Name of Provider:			
Total Contract Value Inclusive VAT			
Type of provider	National		
Implementation	Complete		
Procurement Method:-	Open domestic bidding		
Consultant Selection Method:-	NA		
Procurement Category:-	Services		
Bidder Invitation Method:-	Bid Notice		

Bid Submission Method:-	One Stage single Envelope
Contract Type:-	Force Account
EXCEPTIONS.	
<ul style="list-style-type: none"> • Delays in initiation. The procurement plan states that the process would start on 20th June 2019, but the procurement was initiated on 15th October 2019 • There was no letter of appointment of the force account supervisor • A total of UGX 3,844,000 and UGX 2,212,000 was paid to Mr. Kakaire Zaidi on 25th Feb 2020, but the fumigation activities were carried out in May. A receipt for the fumigation drugs and fuel for the fumigation of St Mary Primary School, Shalom Nursery and day care and surrounding areas was on file with the dates of 7th May 2020 and 3rd May 2020. The Officer was never delegated to handle the procurement and there was no evidence of any competition. Consequently, there may not have been value for money in the procurement. • A total of UGX 6,056,000 was paid out against a planned UGX 9,900,000 	

IDENTIFICATION			
Name of Entity:	LUGAZI MC	Sector:	
Audit Period: 2019-20	Reference No.:	LUG788/WRKS/19-20/00015	
Contract Description:	Renovations and general repairs to ten spring wells (LUG788/WRKS/19-20/00015) worth UGX 7,923,500		
	Procurement funded by GOU		
Name of Provider:			
Total Contract Value Inclusive VAT	UGX 7,923,500		
Type of provider	National		
Implementation	Complete		
Procurement Method:-	Open Domestic Bidding		
Consultant Selection Method:-	NA		
Procurement Category:-	Services		
Bidder Invitation Method:-	Bid Notice		
Bid Submission Method:-	One Stage single Envelope		
Contract Type:-	Force account		
EXCEPTIONS.			
<ul style="list-style-type: none"> • This procurement was not indicated on the procurement plan for FY 19-20 • The Senior Assistant town clerk confirmed availability of funds without delegation • There were no delivery notes from the suppliers to show that the materials were delivered to the MC for the renovation • There were no LPOs to show that local suppliers participated in the procurement • There was no letter of appointment of the force account supervisor • 			

Annex B: Transaction list and risk rating per case

S/No	Subject of Procurement	Reference No.	Procurement Method	Provider	Amount (UGX)	Risk Classification
1.	Construction of the first floor of the office block at Lugazi Municipal Council	LUG788/Wrks/2019-20/00001	Open Domestic Bidding	Zebra Associates Limited	510,259,848	High Risk
2.	Development of a physical development plan for Lugazi Municipality	LUG788/Srvcs/2019-20/00019	Request for Proposals without Expression of Interest	Arcon Surveyors and Engineering Consultants	246,974,000	High Risk
3.	Construction of a staff house, renovation of the OPD and fencing of Kizigo Health Centre II in Najjembe Division	LUG788/Wrks/2019-20/00007	Open Domestic Bidding	Rinack Holdings Limited	110,599,650	High Risk
4.	Construction of a two-classroom block with an office and a store at Kiyagi Mubango Primary School	LUG788/Wrks/2019-20/00008	Open Domestic Bidding	Rosanah Investments Limited	79,621,815	High Risk
5.	Construction of a two-classroom block with an office at Kungu Bahai Primary School	LUG788/Wrks/2019-20/00002	Open Domestic Bidding	Kano Building Contractors	83,032,950	High Risk
6.	Valuation of property in Lugazi Municipality	LUG788/Srvcs/2019-20/00006	Open Domestic Bidding	Wrok Valuation Consultants Limited	49,557,400	High Risk
7.	Procurement of inputs, equipment and materials	LUG788/Supls/2019-20/000	Community Purchase	<ul style="list-style-type: none"> B-Star Graphics and Stationers 	10,000,000	High Risk

S/No	Subject of Procurement	Reference No.	Procurement Method	Provider	Amount (UGX)	Risk Classification
	for selected groups under DDEG			<ul style="list-style-type: none"> • H.M.S Printers and Stationers • Jacob Ssemwogerere • Perfect Machines and Engineering • Zimula Hardware • Kongei General Traders SMC Limited 		
8.	Maintenance of Lubumba Road (4.5 Km)	LUG788/Wrks/2019-20/00004	Force Account	Municipal Engineer	49,311,700	High Risk
9.	Maintenance of Buvuma - Nabale Road (3.6 Km)	LUG788/Wrks/2019-20/00012	Force Account	Municipal Engineer	28,821,400	High Risk
10.	Routine mechanized maintenance of Kisu-Namaliga Road in Kawolo Division (2.5 Km)	LUG788/Wrks/2019-20/00004	Force Account	Municipal Engineer	38,809,000	High Risk
11.	Opening and light grading of 2.1Kms of Kibuya-Namasujju-Nakannya Road	LUG788/Wrks/2019-20/00010	Force Account	Municipal Engineer	26,000,000	High Risk
12.	Routine mechanized maintenance of Luyanzi - Luwayo Road in Kawolo Division (7 Km)	LUG788/Wrks/2019-20/00004	Force Account	Municipal Engineer	39,307,000	High Risk

S/No	Subject of Procurement	Reference No.	Procurement Method	Provider	Amount (UGX)	Risk Classification
13.	Rehabilitation of water sources in Lugazi Municipal Council		Force Account	Municipal Engineer	9,900,000	High Risk
14.	Renovation of maternity building at Najjembe Health Center III	LUG788/WRKS/19-20/00005	Selective Domestic Bidding	Netcore Investments Limited	12,354,300	High Risk
15.	Management and collection of revenue from Kinyoro Market in Lugazi Central Market	LUG788/SRVCS/19-20/00004	Open domestic Bidding	Masitulah General Construction Co Ltd	36,600,000	High Risk
16.	Collection of market fees from the Abattoir	LUG788/SRVCS/19-20/00005	Open domestic Bidding		7,200,000	High Risk
17.	Collection and management of revenue from slaughtering fees (chicken and butcheries) in Najjembe Division	LUG788/srvcs/19-20/00003	Open domestic Bidding	Najjembe Meat and Chicken Vendors Association	7,200,000	High Risk
18.	Construction of 20 Lockups in Kinyoro Market to slab level	LUG788/WRKS/19-20/0010	Force Account	Municipal Engineer	10,290,000	High Risk
19.	Provision of fumigation services	LUG788/SRVCS/19-20/00020	Force Account	Municipal Engineer	9,900,000	High Risk
20.	Renovations and general repairs to ten spring wells	LUG788/WRKS/19-20/00015	Force Account	Municipal Engineer	7,923,500	High Risk

Annex C: List of Contracts Committee members, Procurement and Disposal Unit and User Departments

List of the Contracts Committee members

No.	Name	Position	Job Title	Appointment date
6.	Robert Nkwanga Musoke	Chairperson	Ag. Senior Commercial Officer	13 th October 2016
7.	Musasizi Dorah	Member	Senior Human Resource Officer	13 th October 2016
8.	Victoria Kateeme	Member	Head Teacher	13 th October 2016
9.	Dorothy Nanyombi	Member	Community Development Officer	26 th April 2019
10.	Charles Lwanga	Member	Environmental Officer	26 th April 2019

List of staff in the Procurement and Disposal Unit

Name	Job Title	Qualifications
Juuko Sadalah Ramathans	Senior Procurement Officer	Bachelor's degree in Procurement and Logistics Management, Post Graduate Diploma in Procurement and Supply Chain Management

List of User Departments

No.	User Department	Head of Department	Job Title
1.	Works and Technical Services	Eng. Daniel Kanya	Senior Engineer
2.	Natural Resources	Lwanga Charles	Environment Officer
3.	Production and Marketing Services	Nkwanga Robert Musoke	Ag. Senior Commercial Officer
4.	Community Based Services	Nanyombi Dorothy	Community Development Officer
5.	Education	Musoke N. Edwin	Principal Education Officer
6.	Health	Kiire Zaid	Ag. Health Officer
7.	Finance	Grace Namatovu	Principal Finance Officer
8.	Najjembe Division	Ziraba Stephen	Assistant Town Clerk
9.	Kawolo Division	Namagembe Jane Kayizzi	Assistant Town Clerk
10.	Lugazi Central Division	Luwaga Mily Wanyana	Assistant Town Clerk