



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**PROCUREMENT AND DISPOSAL COMPLIANCE AUDIT
REPORT FOR FINANCIAL YEAR 2022/23**

BUGIRI MUNICIPAL COUNCIL

JANUARY 2024

ACRONYMS	iii
EXECUTIVE SUMMARY	iv
CHAPTER 1: INTRODUCTION	7
1.1 Background	7
1.2 Objective	7
1.3 Compliance audit Scope.....	7
1.4 Compliance audit Methodology	8
1.5 Structure of the Entity	8
CHAPTER 2 KEY FINDINGS AND RECOMMENDATIONS	10
2.1 LEVEL OF COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF PROCUREMENT PROCESSES.....	10
2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006	18
2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS.....	20
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	26
3.1 Entity's Risk Assessment.....	26
3.2 Entity's Performance	26
3.3 Risk rating criteria	27
3.4 Overall Compliance Audit Conclusion.....	27
3.5 Recommended Action Plan.....	28

LIST OF TABLES

Table 1: Distribution of transaction population and sample.....	7
Table 2: Composition of Contracts Committee	8
Table 3: Showing composition of the PDU during the audit period.....	9
Table 4: Implementation of previous audit recommendation.....	11
Table 5: Procurements without formal invitation	13
Table 6: Analysis of Prevention plan performance.....	13
Table 7: Procurements with inadequate solicitation documents.....	15
Table 8: Procurements for which irregularities at evaluation were noted.....	16
Table 9: Procurements with low bidder participation	17
Table 10: Procurements with no provisions for ESHS & Gender issues	20
Table 11: Procurements where partial payments were done	21
Table 12: Procurements with missing records	22
Table 13: Issues noted during physical verification.....	23
Table 14: Showing summary of risk assessment of Bugiri Municipal Council	26
Table 15: Showing graphical representation of the Entity's risk assessment.....	26
Table 16: Showing the Entity's risk score both by number and value of sampled procurement.....	27
Table 17: Showing the risk rating criteria	27
Table 18: Recommendation Action Plan.....	28

ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of Quantities
CC	Contracts Committee
CV	Curriculum Vitae
MC	Municipal Council
FY	Financial Year
GCC	General Conditions of Contract
HC	Health Centre
ICT	Information and Communications Technology
LTD	Limited
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary/ Secretary to the Treasury
UGX	Uganda Shillings
(U)	Uganda
VAT	Value Added Tax
VIP	Ventilated Improved Pit Latrine
UGIFT	Uganda Intergovernmental Fiscal Transfer Program

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal Compliance audit of Bugiri Municipal Council that covered a representative sample of 10 procurement transactions under the Financial Year 2022/23.

The overall objective of the procurement and disposal Compliance Audit was to assess and establish the degree of compliance of Bugiri Municipal Council's procurement system and process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations 2006 and assess the level of procurement and disposal performance over the audit period.

From the findings of the procurement Compliance Audit exercise, the performance of Bugiri Municipal Council for the Financial Year 2022/23 was **Moderately Satisfactory** with an overall weighted average risk rating of **58%**. The risk assessment criteria is detailed in chapter 3 of the report.

The Moderate performance was due to the following exceptions:

1. The Entity did not have enough storage space and filing cabins to securely keep the Procurement action files and other records. The procurement files and documents were packed in the procurement and disposal unit office with documents precariously stacked on top of each other. This exposes the documents to misplacement, damage, and access by unauthorized personnel which could compromise the principle of accountability of public funds.
2. The Entity failed to implement 90% of the audit recommendations issued in the previous audit report for the Financial Year 2020-2021. Out of ten recommendations made, only one recommendation representing 10% of the total recommendations was implemented, five representing 50% were partially and the remaining four (40%) were not implemented. Failure to fully implement audit recommendations affects performance of the procurement and disposal function and is an indicator of a weak implementation mechanism by the Entity.
3. The Internal Audit Department did not conduct a comprehensive audit and review of the entire procurement and disposal process in line with Regulation 28 of the Local Governments (PPDA) Regulations, 2006 as emphasis was put on contract management, falling short of the Regulation's comprehensive assessment requirements.
4. There was no documented proof of inviting potential bidders through an advertisement to take part in the procurement process in two framework contracts worth UGX 91,391,994. Although the advertisement for the Financial Year was provided to the team, these procurement activities were not explicitly and distinctly mentioned in the advertisement, despite being executed under this premise.
5. The Entity did not implement 17.3% (141,002,500) of its procurement plan thus denying services to the intended beneficiaries.
6. The solicitation documents in four procurements worth UGX. 324,114,078 lacked adequate detailed technical evaluation criteria to guide the assessment of the technical competencies of bidders contrary to Regulation 48 (2) and (4) of the Local Governments PPDA Regulations 2006.
7. The Authority noted irregularities in the evaluation of four procurement transactions worth UGX 308,554,558 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria

- stated in the bidding documents. The Evaluation Committees recommended award to bidders that did not comply with the requirements stated in the solicitation documents which might compromise the quality of the works.
8. The audit noted that in the procurement for supply of fuel under frame work contract, the Entity irregularly awarded a framework contract to Noor Energy Limited basing on a pre-qualification process and without following the provisions of PPDA's Guideline No. 10/2014 on the use of framework contracts for procurement of supplies, works and non-consultancy services.
 9. The Entity did not engage in disposal of obsolete assets during the period under review and yet the Entity's Board of survey report for the Financial Year 2021/2022 dated 17th May 2022 recommended a number of assets for disposal including: a motorcycle (UG 2560R), two type writers, 102 old iron sheets at Eastern division, boxes of books, cycle styling machine and timber. Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
 10. Two procurements worth UGX. 244,049,858 lacked provisions for Gender, Environmental, Social Inclusion and Cross Cutting issues in the Bills of Quantities in the solicitation documents issued to bidders. Provision for planting of trees, inclusion of vulnerable groups such as women and people with disabilities in the workforce, provision for personal protective equipment and a plan for HIV aids awareness and prevention during the execution of the project were not catered for.
 11. The Authority noted missing contract management reports and records in three contracts entered into by the Entity worth UGX. **96,208,500**, contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
 12. Two procurements worth UGX 35,695,000 had service providers partially paid despite having delivered supplies in time. Failure to fully pay providers on time delays execution of contract, compromises quality and discourages them from participation in public procurement.

Key Recommendations made:

1. The Accounting Officer should:
 - i. Ensure that the Procurement and Disposal unit is adequately facilitated with sufficient space and filing cabinets to properly keep its records in accordance with Section 41 (1) of the PPDA Act 2003;
 - ii. Come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;
 - iii. Task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis;
 - iv. Ensure that the disposal process is expedited and furnish the Authority with a report on the progress within three months of receipt of this report;
 - v. Direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off;

- vi. Ensure that contractors are paid fully in line with the payment terms stipulated in the contract as long they have fulfilled their contractual obligations as stipulated; and
 - vii. Ensure that User Departments and the Head Procurement and Disposal unit regularly carry out a review and update of the implementation of the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance.
2. The Contracts Committee should ensure that:
 - i. The bidding documents approved are of appropriate quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA) Regulations, 2006; and
 - ii. The principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.
 3. Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
 4. The Head Procurement and Disposal Unit should ensure that;
 - i. The appropriate framework procurement processes are applied in accordance with Guideline No. 10/2014 (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services) dated 26th September 2014; and
 - ii. Bidders under the open bidding procurement method are invited through an advert clearly indicating the subject matter for the intended procurements in accordance with Section 80 (2) of the PPDA Act, 2003.
 5. Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.
 6. The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the Municipal Environmental Officer and the Community Development Officer are involved in the entire procurement process right from planning and initiation, bidding document preparation and contract management process so that these requirements are embedded in the procurements right from the design stage.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal compliance audit of Bugiri Municipal Council that covered a representative sample of ten procurement transactions under the Financial Year 2022/23. The compliance 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 Public Assets Act 2003 and the Local Governments (PPDA) Regulations 2006.

1.2 Objective

The overall objective of the procurement and disposal compliance audit was to assess and establish the degree of compliance of Bugiri Municipal Council's procurement system and process with the provisions of the PPDA Act 2003 and the Local Governments PPDA Regulations 2006 and assess the level of procurement performance over the compliance audit period.

The specific objectives were:

1. To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations 2006 with regard to the performance of the procurement structures and the conduct of the procurement process.
2. To assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations 2006.
3. To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Compliance audit Scope

The Compliance Audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on a sample basis. The compliance audit covered a sample of 10 procurement transactions under the Financial Year 2022/23.

The Entity had a total procurement budget of UGX 821,302,978 in the audit period. To prepare for the audit, the auditors reviewed the Entity budget, procurement plan and monthly reports. The procured items in the transaction list were stratified by (a) category of works, supplies, consultancy, and non-consultancy services, (b) procurement method, (c) and contract value.

The sample size was assessed as representative of the population of all transactions. The list of sampled transactions is contained in **Annex 1**. The distribution of the transaction population and sample is in Table 1 below:

Table 1: Distribution of transaction population and sample

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% no.
Open domestic(Framework)	623,890,978	409,314,102	65.6	19	8	42
Direct method	24,809,500	24,809,500	100	1	1	100
Selective bidding	30,600,000	26,359,520	86	2	1	50
Total	679,300,478	460,483,122	67.8	22	10	45.5

1.4 Compliance audit Methodology

The Compliance Audit exercise examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive compliance 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 fitness 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 Compliance 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 debriefing meeting to clear all pending issues that arose during the compliance audit was held with the Entity management and staff on **16th August 2023** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **7th November 2023** with a request to submit a management response by **15th November 2023**, which was submitted on **14th November 2023**.

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

1.5 Structure of the Entity

The key players in the procurement structure at Bugiri Municipal Council included the Town Clerk as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit and the User Departments.

i. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Town Clerk; Mr. Jamirli Kasajja was designated as the Accounting Officer of the Entity during the Financial Year 2022-2023.

ii. Composition of the Contracts Committee

During the year under audit, the Entity's Contracts Committee was fully constituted and tenure not expired for any of the members as illustrated in Table 2 below:

Table 2: Composition of Contracts Committee

No	Name	Position on the Committee	Job title	Date of Appointment
1.	Mr. Jude Baligeya	Chairperson	Principal Commercial Officer	26 th July, 2022
2.	Mr. Saadi Magoola	Member	Senior Clinical Officer	21 st September, 2022
3.	Mrs. Proscovia Biryeri	Member	Inspector of Schools	21 st September, 2022

No	Name	Position on the Committee	Job title	Date of Appointment
4.	Mr. Mathew Olowo	Member	Librarian	21 st September, 2022
5.	Mr. Herbert Wabwire	Member	Senior Human Resource Officer	4 th January, 2021

iii. **Composition of the Procurement and Disposal Unit**

The Procurement and Disposal Unit was manned by the personnel listed in the Table 3 below during the audit period:

Table 3: Showing composition of the PDU during the audit period

S/no	Name	Job Title	Academic Qualification	Appointment Date
1	Ms. Christine Mirembe	Procurement Officer	Bachelor of Business Administration (Procurement Option) and a Post Graduate Diploma in Procurement and Supply Chain Management	18 th March, 2017
2	Mr. Isima Muzei	Assistant Procurement Officer	Diploma in procurement	11 th May, 2022

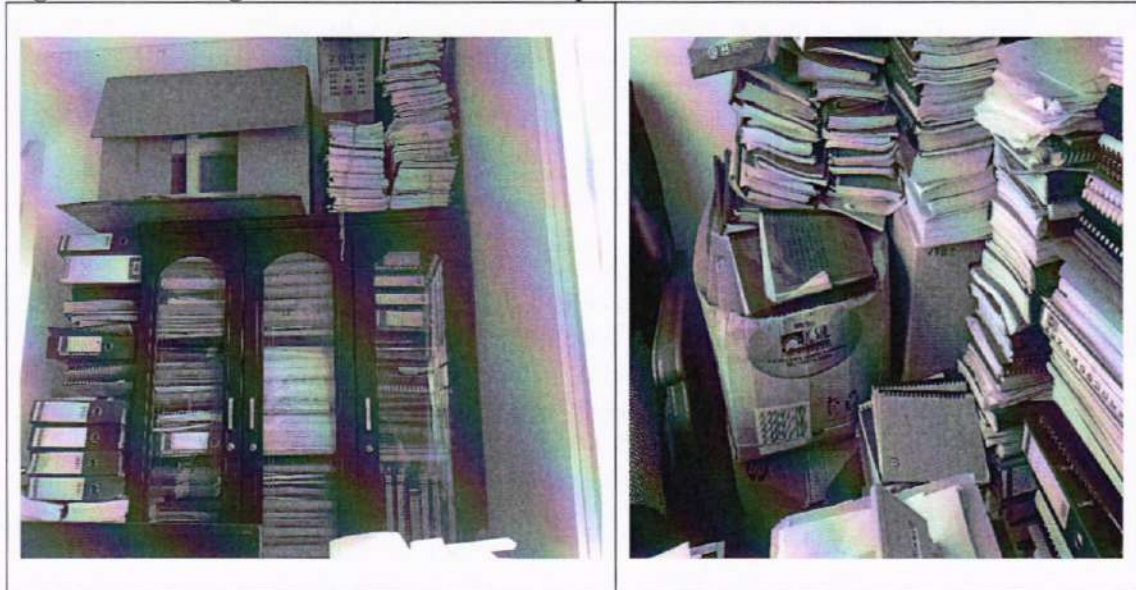
CHAPTER 2 KEY FINDINGS AND RECOMMENDATIONS

2.1 LEVEL OF COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF PROCUREMENT PROCESSES

2.1.1 Inadequate facilitation of the Procurement and Disposal Unit

The audit noted that the Entity did not have enough storage space and filing cabins to securely keep the procurement action files and other records. The procurement files and documents were packed in the procurement and disposal unit office with documents precariously stacked on top of each other as evidenced in the Figure 1 below:

Figure 1: Showing the Procurement and Disposal Unit office



Implication

Failure to have sufficient and safe storage for procurement records exposes them to misplacement, damage, and access by unauthorized personnel which could compromise the principle of accountability of public funds.

Management Response

The PDU is facilitated with the available resources which may never be enough. The Unit has one computer, it has also been allocated office space at the Eastern Division for storage purposes though not yet functional. The Entity is planning to budget for the procurement of filing cabinets.

Recommendation

The Authority commends the Entity for the efforts made and recommends that the Accounting Officer should ensure that the storage space allocated to PDU at the Eastern Division is made functional and operational to enable proper storage of records in accordance with Section 41 (1) of the PPDA Act 2003.

2.1.2 Failure to implement 90% of previous audit recommendations

It was noted that the Entity had been issued its previous audit report for the Financial Year 2020-2021 in January 2022. Out of ten recommendations made, only one recommendation representing 10% of the total recommendations was implemented, five representing 50% were partially implemented and the remaining four representing 40% were not implemented as detailed in the Table 4 below:

Table 4: Implementation of previous audit recommendation

No.	Recommended Action	Implementation Status
1.	The Accounting Officer should facilitate the Procurement and Disposal Unit with adequate storage space to enable the proper storage of records as stipulated in Section 41 (1) of the PPDA Act, 2003 as amended	Not implemented
2.	The Accounting Officer together with the Internal Auditor should ensure that a strong internal mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance	Partially implemented
3.	The Accounting Officer should ensure that the Entity's procurement plan is regularly reviewed and updated in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance	Not implemented
4.	The Accounting Officer should put in place a clear reporting mechanism and task all Division Heads to provide accountability and monetary value for all the procurement transactions handled at the lower local government level. Accountability for all procurement transactions that were carried out Lower Local Governments and not reported to the District should subsequently be reported to the Authority by end of February 2022	Not Implemented
5.	The Contracts Committee should ensure that all procurement and disposal activities are conducted in a manner that maximizes competition and achievement value of money and in the event that direct procurement method is to be used, it should be in accordance with Section 85 of the PPDA Act 2003 as amended	Partially implemented
6.	The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations and the Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval	Partially implemented
7.	The Accounting Officer should caution the evaluation committee members Mugoya Samson (Municipal Engineer), Tamuzadde Andrew (Accountant), Magoola Saidi (Clinical Officer), Iwumbwe Bakaali (Treasurer Eastern Division), Wabuda Ronald (Senior Accounts Assistant) and Muzige Idi (Head Production Unit) against violating the set evaluation criteria and the Head of Procurement and Disposal Unit should ensure that all evaluations	Partially implemented

No.	Recommended Action	Implementation Status
	are conducted in line with the criteria set in the bidding document in accordance with Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006	
8.	The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the District Environmental Officer and the District Labor Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process in to address the gender, environment and social inclusion issues	Not Implemented
9.	The Accounting Officer should strengthen contracts management and monitoring in the entity and should task contract supervisors to ensure that the implemented works are technically assessed for quality and completion before issuing payment certificates	Partially implemented

Implication

Failure to fully implement audit recommendations affects performance of the procurement and disposal function and is an indicator of a weak implementation mechanism by the Entity.

Management Response

The responsibility of installing strong internal control systems lay on management and for this case Internal Audit will collaborate with management to ensure that controls are in place and being adhered to for continuous improvement.

Recommendations

- The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity’s performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.
- The Accounting Officer should always disseminate audit reports and recommendations to the Municipal’s Top Management Committee for discussion and adoption of strategies on how to implement the recommendations for continuous process improvements.

2.1.3 Failure by Internal Audit to audit the entire procurement function in the Financial Year under review

The Authority observed that as much as the Internal Audit Unit planned to audit procurement procedures during the year, it was noted from the quarterly audit reports that the audit of procurement procedures was not thorough and comprehensive enough and did not encompass the entire procurement process and system. Emphasis was placed on verification of deliveries and payments leaving out the actual procurement process.

Implication:

The internal mechanism to detect, prevent and propose corrective action is not in-built in the processes of the Entity which hinders continuous process and system improvement.

Management Response

The responsibility of installing strong internal control systems lay on management and for this case, Internal Audit will collaborate with management to ensure that controls are in place and being adhered to for continuous improvement.

Recommendations:

The Accounting Officer should task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis.

2.1.4 Failure to invite bidders to participate in the procurement process

Two procurement activities worth UGX 91,391,994 were to follow the framework contract arrangement under the open bidding procurement method. However, there was no documented proof of inviting potential bidders through an advertisement to take part in the procurement process. Although the advertisement for the Financial Year was provided to the team, these procurement activities were not explicitly and distinctly mentioned in the advertisement, even though they were carried out under this pretext. Table 5 below shows the procurements for which bidders were not formally invited through an advert.

Table 5: Procurements without formal invitation

No	Subject of Procurement	Contract Amount (UGX)
1.	Procurement of road construction materials	32,320,000
3.	Supply of fuel and lubricants	59,071,994
Total		91,391,994

Implication

This compromises competition in the procurement processes and inhibits the achievement of value for money.

Management Response

The findings and observations have been noted and shall be managed in the subsequent procurements the fact remains that we need adequate training in the procurement process.

Recommendation

The Head Procurement and Disposal Unit should ensure that bidders under the open bidding procurement method are invited through an advert clearly indicating the subject matter for the intended procurements in accordance with Section 80 (2) of the PPDA Act, 2003.

2.1.5 Non-implementation of 17.3% of the procurement plan

The Table 6 below summarizes information about the procurement plan, budget, and utilization of funds for the Financial Year 2022/2023. The procurement plan implementation rate was 82.7% while the implementation variance was 17.3% worth UGX 142,002,500.

Table 6: Analysis of Prevention plan performance

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	821,302,978

Procurement spend value inclusive of VAT (UGX)	679,300,478
Procurement plan Absorption Rate	82.7%
Budget variance (UGX)	142,002,500

Implication

Failure to fully implement the procurement plan denies delivery of services to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance thus failure to meet planned objectives.

Management Response

Recommendations are noted for implementation in the proceeding procurements.

Recommendation

The Accounting Officer along with Management should regularly carry out a review and update of the implementation of the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance.

2.1.6 Management of Force Account

The Authority noted that the Entity's Force Account work plan was worth UGX 389,500,000 but executed UGX 332,451,663. However, there was no evidence that the Entity computed the direct, indirect and overhead costs to determine whether the costs to be incurred are less than would be if the assignment was executed by a contractor contrary to Section 95 A (3) (b) that requires so be done.

Implication

This exposes the Entity to risk of financial loss since costs are not well considered before execution of works that may lead to unethical tendencies and failure to attain value for money.

Management Response

The observations made by the auditors that the Entity had planned for UGX 389,500,000 and instead executed works worth UGX 332,451,663 for Financial Year 2022/2023 is true. However, this was on account of the fact that the entity received less funding from Uganda Road Fund by UGX: 57,048,337 as evidenced.

Recommendation

The Authority noted the Entity's response. However, it did not address the issue of analyzing the costs associated with the Force Account Mechanism to determine whether it will be cheaper compared to obtaining a contractor. The Authority therefore recommends that the Accounting Officer should task the Force Account Supervisor to always ensure that the Force Account Mechanism is applied in tandem with the PPDA (Force Account Mechanism) Regulations 2014.

2.1.7 Approval of poor quality solicitation documents by the Contracts Committee

The Authority noted that the Contracts Committee approved inadequate solicitation documents in four procurements worth UGX. 324,114,078. The solicitation documents lacked detailed technical evaluation criteria to guide the assessment of the technical competencies of bidders contrary to Regulation 48 (2) and (4) of the Local Governments (PPDA) Regulations 2006. These procurements are highlighted in the Table 7 below:

Table 7: Procurements with inadequate solicitation documents

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Construction of a twin staff house at Bugiri MC HC 3 under development grant	165,081,358	Lack of comprehensive evaluation criteria. The evaluation criteria did not include specifications regarding the necessity of prior experience in similar projects, the qualifications of technical personnel, and the availability of necessary equipment.
2.	Construction and installation of rain water (10,000liter plastic tank) harvesting facility at Bugubo Butambula Primary School	15,559,520	The evaluation criteria required bidders to attach relevant academic documents for proposed key personnel without stating the required qualifications and experience.
3.	Construction of a two classroom block at Bugubo Butambula Primary School under Sector Development grant	78,968,500	The evaluation criteria lacked details on academic qualifications and experience of the proposed key personnel except for an environmental and social development officer yet bidders were assessed against possession of a project manager, site manager, foreman and mason.
4.	Supply and installation of 13 solar street lights	64,504,700	The evaluation criteria was silent on the requirement for technical personnel.
Total		324,114,078	

Implication

Vague statement of requirements and evaluation criteria lead to preparation of non-responsive bids which may not meet the end user needs or requirements thus compromising achievement of value for money.

Management response

The findings and observations are noted and shall be managed at the subsequent procurements to ensure that the clear and complete evaluation criteria is provided to the service providers.

Recommendation

The Contracts Committee should ensure that the bidding documents approved are of appropriate quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA) Regulations, 2006.

2.1.8 Irregularities at bid evaluation

The Authority noted irregularities in the evaluation of four procurement transactions worth UGX. 308,554,558 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. Table 8 below indicates procurements for which evaluation irregularities were noted:

Table 8: Procurements for which irregularities at evaluation were noted

No.	Subject of the procurement	Contracts Value (UGX)	Observation
1.	Supply and installation of 13 solar street lights	64,504,700	The criteria required bidders to attach evidence of key personnel to include Electrical engineer, Environmental officer and a Social Development Officer. However, Jack Manufactures & Distributors Ltd (BEB) did not attach the CVs for the proposed personnel.
2.	Construction of a twin staff house at Bugiri MC HC 3 under Development grant	165,081,358	The Best Evaluated Bidder, Danzu Investments Limited, did not furnish proof of owning any equipment. The provided logbooks were registered under the names of Mr. Daniel Mugoya and Mr. Yokonia Mugonia instead without any accompanying lease or hire agreements.
3.	Construction of a two classroom block at Bugubo Butambula Primary School under Sector development grant	78,968,500	The evaluation criteria in the solicitation document was silent on key equipment, however, at evaluation bidders were assessed against provision of evidence of possession of key equipment which the Best Evaluated Bidder Nero logistics limited did not provide.
4.	Supply of fuel and lubricants		There was no detailed evaluation conducted. The evaluation report merely contained a recommendation for award, lacking the necessary preliminary, technical and financial evaluation
Total		308,554,558	

Implication

This may lead to award of contracts to non-compliant bidders which could result in to substandard work and failure to attain value for money.

Management Response

- For paragraph 1 and 2 the findings and observations have been noted and shall be managed at the subsequent procurements to ensure that the clear and complete evaluation criteria is followed in accordance with the Procurement Laws, regulations guidelines and CSI's provided.

- This point of training has been noted and the Accounting Officer has already requested for these services to enhance the capacity of the user departments.

Recommendations

- Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.
- The Accounting Officer should formally request for training of the members of the User Departments on the procedure for evaluation of bids.

2.1.9 Low bidder participation

The Entity failed to obtain adequate competition in four procurements worth UGX. 223,760,878 as an average of two bids was obtained in each procurement contrary to Section 46 of the PPDA Act, 2003 that requires the Entity to conduct procurements in a manner that maximizes competition and achieves value for money. The procurements are listed in the Table 9 below:

Table 9: Procurements with low bidder participation

S/N	Procurement	Amount(UGX)	Bids received	Firms invited
1.	Construction and installation of rain water harvesting facility at Bugubo Butambula Primary School	15,559,520	2	3
2.	Procurement of road construction materials	32,320,000	2	Open
3.	Procurement of school desks in Eastern division	10,800,000	1	3
4.	Construction of a twin staff house at Bugiri MC HC 3 under development grant	165,081,358	2	Open
Total/average		223,760,878	2	

Implication

This could be a sign of bidder collusion, lack of information to bidders and subjective award of tenders due to irregularities at evaluation such as non-adherence to set evaluation criteria that lead to low bidder participation. Thus compromising competition and achievement of value for money.

Management response

This is noted and shall be followed up in subsequent procurements. However, our observation is that the number of potential bidders is limited due to their capacity which makes their response to be low, some bidders want to be assured that they will get the contract which is not

ethical and also bidders form cartels whereby they leave one company to participate in a particular year.

Recommendations

The Authority noted the Entity's response and recommends that:

- The Accounting Officer should address irregularities in the procurement process such as poor quality bidding documents, failure to invite bidders, irregularities at evaluation and failure to fully pay providers in order to increase the Entity's attractiveness to potential bidders.
- The Accounting Officer should break the said bidder cartels by boasting competition through inviting several prequalified firms and could also adopt firms from the prequalified lists of other Entities and the PPDA Register of Providers.

2.1.10 Inappropriate application of framework contracts

PPDA Guideline No. 10/2014 on use of framework contracts for procurement of supplies, works and non-consultancy services paragraph 6.1 provides that a Procuring and Disposing Entity should use PPDA's Standard Bidding Document for framework contracts and use the open bidding method for the procurement of supplies, works or services and then enter into framework contracts with the successful providers. However, the audit noted that in the procurement for supply of fuel under frame work contract, the Entity irregularly awarded a framework contract to Noor Energy Limited basing on a pre-qualification process and without following the provisions of the Guideline above.

Implication

The Entity limited competition and may not have achieved value for money.

Management Response

The findings and observations are noted and shall be managed at the subsequent procurements to ensure completeness of the process and value for money is achieved.

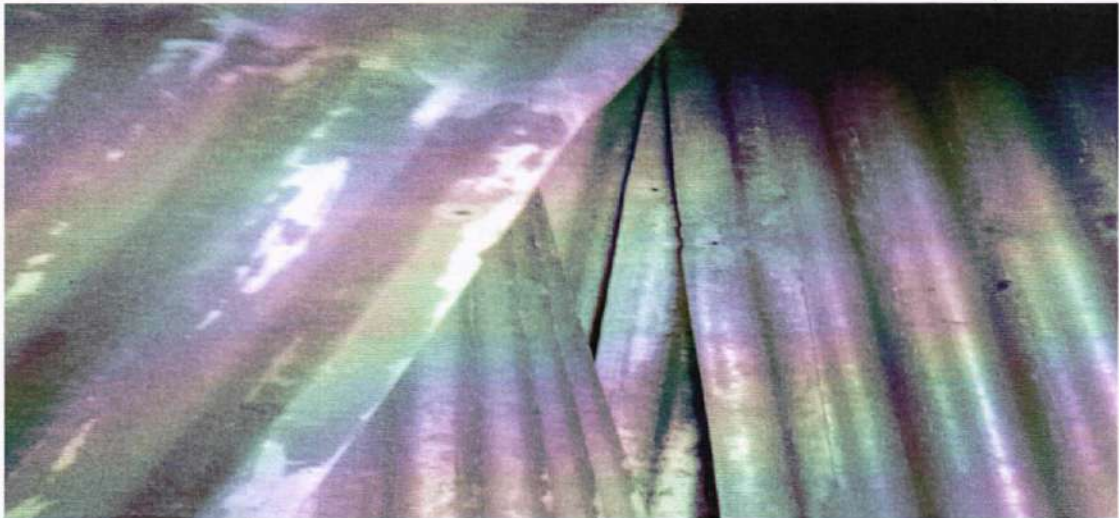
Recommendation

The Head Procurement and Disposal Unit should ensure that the appropriate framework procurement processes are applied in accordance with Guideline No. 10/2014 (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services) dated 26th September 2014.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006

2.2.1 Failure to dispose obsolete items

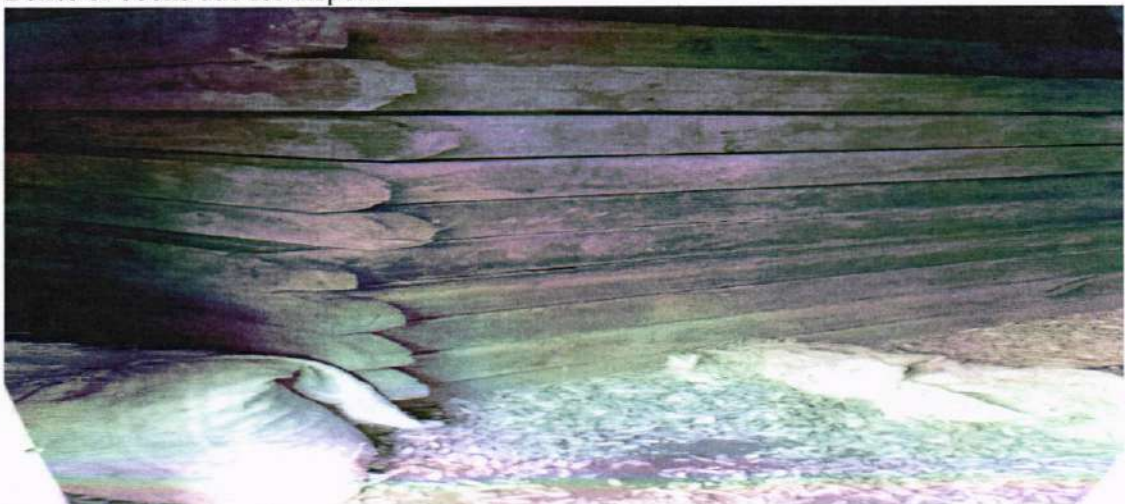
The Authority reviewed the Entity's Board of survey report for the Financial Year 2021/2022 dated 17th May 2022 and noted that the Entity had items due for disposal including: a motorcycle (UG 2560R), two type writers, 102 old iron sheets at Eastern division, boxes of books, cycle styling machine and timber. However, there was no effort by the Entity to ensure that these items were disposed of. The pictures below show the items due for disposal.



Old iron sheets due for disposal



Boxes of books due for disposal



Used timber due for disposal

Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft and vandalism.

Management Response

The findings and observations are noted and management has already initiated the disposal process as evidence attached for your perusal.

Recommendation

The Authority commends the Entity for the efforts made to ensure the Entity's assets are disposed of. The Accounting Officer should ensure that this process is expedited and carried out to its logical conclusion in line with Regulations 122-133 of the LG (PPDA) Regulations, 2006.

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

2.3.1 No provisions for Environmental Social, Health and Safety including Gender issues in the BOQs

Two procurements worth UGX. 244,049,858 had no provisions for ESHS and Gender, Issues in the Bills of Quantities in the solicitation documents issued to bidders. ie. There was no provision for planting of trees, inclusion of vulnerable groups such as women and people with disabilities in the workforce, provision for personal protective equipment and a plan for HIV aids awareness and prevention during the execution of the project. Details of these projects are shown in the Table 10 below:

Table 10: Procurements with no provisions for ESHS & Gender issues

No	Subject of Procurement	Contract Amount (UGX)
1.	Construction of a twin staff house at Bugiri MC HC 3 Under Development Grant	165,081,358
2.	Construction of a two classroom block at Bugubo Butambula Primary School under sector development grant	78,968,500
Total		244,049,858

Implications

- Failure to put in place environment, social, Health and Safety including Gender mitigation measures puts the communities where the projects are located at risk of harmful effects of environmental degradation such as climate change, destruction of eco systems, air pollution and depletion of natural resources as well as threatening Human health and wellbeing.
- Failure to ensure social inclusion for disadvantaged groups such as women puts them at risk of being left behind in terms of social and economic progress of society.

Management Response

Previously we have been budgeting for ESHS separately and implementation done see evidence attached. Going forward ESHS shall be considered and included as part of the project cost in the BOQ.

Recommendation

The Authority noted the Entity's response, however, there was no evidence attached in form of reports from the responsible Entity personnel, furthermore, during physical verification none of the measures such as tree planting could be verified on site.

The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the Municipal Environmental Officer and the Community Development Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that these requirements are embedded in the procurements right from the design stage.

2.3.2 Partial payment

Two procurements worth UGX 35,695,000 had their service providers not fully paid by the Entity despite the fact that they had delivered the supplies in time. These procurements are detailed in the table 11 below.

Table 11: Procurements where partial payments were done

No	Subject of Procurement	Contract Value (UGX)	Amount paid(UGX)
1.	Supply and installation of four solar security lights in Eastern Division	19,847,600	15,500,000
2.	Procurement of school desks(54,3 seater)	10,800,000	5,400,000
Total		35,695,000	20,900,000

Implications

- Failure to fully pay providers on time delays execution of contract, compromises quality and discourages them from participation in public procurement.
- Partial payment of suppliers exposes the Entity to a risk of domestic arrears as a result of money being returned to treasury without offsetting the pending contractual obligations of payment.

Management Response

By the time of making this response the Division management had not filled their responses with us to be included in these responses.

Recommendation

The Accounting Officer should ensure that contractors are fully paid for the services rendered and supplies delivered in line with the payment terms stipulated in the contract as long as they have fulfilled their contractual obligations.

2.3.3 Failure to maintain complete procurement action files

The Authority noted missing contract management reports and records in three contracts entered into by the Entity worth UGX. **96,208,500**, contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. These procurements are detailed in the Table 12 below:

Table 12: Procurements with missing records

No	Subject of Procurement	Contract Amount (UGX)	Missing records
1.	Construction of a two classroom block at Bugubo Butambula Primary School under sector development grant	78,968,500	Payment documents
2.	Repair and maintenance of motor vehicle	6,440,000	<ul style="list-style-type: none"> • The Bidding document was not on file. • There was no evidence of Contracts Committee approval of the method, bidding document that was used. • Record of issue of bids was not on file. • Record of receipt of bids was not on file. • Evaluation report was not on file to examine whether the right evaluation criteria was used. • Best Evaluated bidder notice was not on file.
3.	Procurement of desks(54,3 seater)	10,800,000	Notice of the Best evaluated bidder Notice
Total		96,208,500	

Implications

- Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- This indicates failure by the Entity to account for public funds.

Management Response

It's true that during the period of audit these documents were not presented reason being that, because of lack of office space, they were mixed up so it was quite difficult to locate them immediately and as observed by the auditor's in No.1 (iv). However, these documents were retrieved as evidenced and are readily available for verification.

Recommendations

The Authority noted the Entity's response, however, the documentation above was not adduced. The Authority therefore recommends that:

- Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.

- The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

2.3.4 Notice of the best evaluated Bidder (NoBEB) displayed for six days instead of ten working days

The Authority noted that in the procurement for the construction and installation of rain water (10,000 Litre plastic tank) harvesting facility at Bugubo Butambula Primary School worth UGX 15,559,520 under selective bidding, the NoBEB was displayed for a period of six days from 27th April 2023 to 4th May 2023 instead of the required ten working days contrary to Regulation 85 (4) (a) of the Local Governments (PPDA) Regulations, 2006.

Implication

This disadvantages bidders with less time to make a complaint in the event that they are aggrieved with the outcome of the evaluation process.

Management Response

The failure to observe the statutory number of days (10) for the NoBEB) was an oversight on our part. However, the recommendations are noted and shall be adhered to going forward.


Recommendation

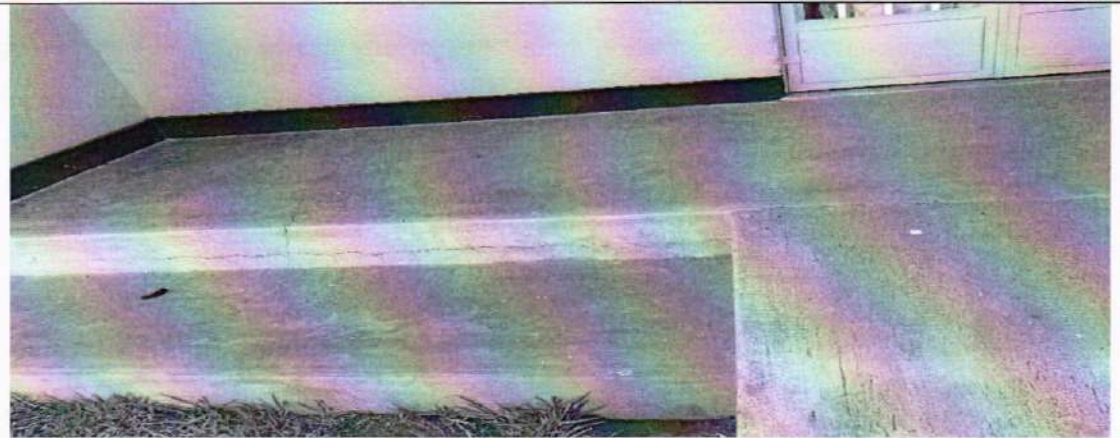
The Head Procurement and Disposal Unit should ensure that the NoBEB is published for a minimum of 10 working days prior to contract signing in accordance with Regulation 85(4)(a) of the Local Government(PPDA) Regulations ,2006.

2.3.5 Defects noted during physical verification

The Authority conducted physical verification on six projects worth UGX 370,061,628 on 16th August 2023 and project defects were noted on two projects worth UGX 245,501,358 that necessitated management's attention as per the Table 13 below:

Table 13: Issues noted during physical verification

<p>Contract name: Construction of a twin staff house at Bugiri Municipal Council Health Centre</p> <p>Contract value: UGX 165,081,358</p> <p>Contractor: Danzu Investments Limited</p> <p>Contractual completion date: 20th January 2023</p>

<ul style="list-style-type: none"> • Maternity ward was completed but the veranda had cracks. • Engravement for the project was not done



The floor had developed cracks.

Contract name: Construction of a two classroom block at Bugubo- Butambula Primary School under development Grant

Contract value: UGX 80,420,000

Contractor: Reca Nero Logistics

Contractual completion date: 29th /03/2022



Works were completed at a two classroom block at Bugubo- Butambula Primary School under development Grant and the building had been engraved at the time of physical verification



The glasses fell off due to poor mix of patty

Implication

Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.

Management Response

The Municipal Engineer communicated the defects on the construction of a two classroom block at Bugubo Butambula Primary School to the contractor as per the attached letter dated 9th March 2023 to make good of the building and we are expecting the contractor to comply immediately.

Recommendation

The Accounting Officer should task the District Engineer to ensure that the above defects are rectified and status report on all these projects provided to the Authority within three months of receipt of this report.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Entity's Risk Assessment

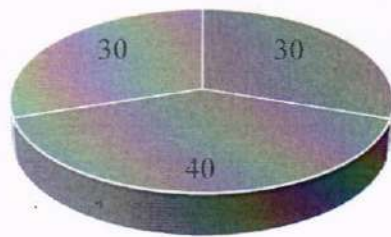
The Table 15 below shows the Entity's performance per risk category based on the sampled procurements:

Table 14: Showing summary of risk assessment of Bugiri Municipal Council

Risk Category	Number of Sampled Procurements	%Number	Value(UGX)	% Value
High	3	30	145,931,994	31.6910625
Medium	4	40	255,871,608	55.56590367
Low	3	30	58,679,520	12.74303383
Satisfactory				
Total	10	100	460,483,122	100

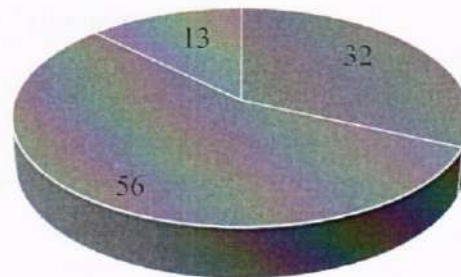
Table 15: Showing graphical representation of the Entity's risk assessment

Risk rating by number



■ High ■ Medium ■ Low

Rating by value



■ High ■ Medium ■ Low

3.2 Entity's Performance

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

Table 16: Showing the Entity's risk score both by number and value of sampled procurement

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	30	0.6	18	32	0.6	19
Medium	40	0.3	12	56	0.3	17
Low	30	0.1	3	13	0.1	1
Satisfactory		0			0	
Total	100	1	33	100	1	37

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{\text{Total}} \times 100 = \frac{33}{60} \times 100 = 55\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{\text{Total}} \times 100 = \frac{37}{60} \times 100 = 62\%$$

$$\text{Combined Weighted Average} = \frac{55+62}{2} = 58\%$$

3.3 Risk rating criteria

The table below shows the risk rating criteria:

Table 17: Showing the risk rating criteria

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

3.4 Overall Compliance Audit Conclusion

The performance of Bugiri Municipal Council for the Financial Year 2022/23 was **Moderately satisfactory** with overall weighted average risk rating of **58%**.

3.5 Recommended Action Plan

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

Table 18: Recommendation Action Plan

No.	Recommendation	Target Date
1.	The Accounting Officer should ensure that the storage space at Eastern Division allocated to the Procurement and Disposal unit is made functional and operational to enable proper and safe storage of records in accordance with Section 41 (1) of the PPDA Act 2003;	March 2024
2.	The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;	March 2024
3.	The Accounting Officer should task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis.	March 2024
4.	The Head Procurement and Disposal Unit should ensure that bidders under the open bidding procurement method are invited through an advert clearly indicating the subject matter for the intended procurements in accordance with Section 80 (2) of the PPDA Act, 2003.	March 2024
5.	The Accounting Officer along with Management should regularly carry out a review and update of the implementation of the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance.	March 2024
6.	The Accounting Officer should ensure that the disposal process is expedited and furnish the Authority with a report on the progress within three months of receipt of this report.	March 2024
7.	The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the Municipal Environmental Officer and the Community Development Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that these requirements are embedded in the procurements right from the design stage	March 2024
8.	The Accounting Officer should ensure that contractors are always fully paid in line with the payment terms stipulated in the contract as long they have fulfilled their contractual obligations.	March 2024
9.	The Contracts Committee should ensure that the bidding documents approved are of appropriate quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA) Regulations, 2006.	March 2024

No.	Recommendation	Target Date
10.	The Head Procurement and Disposal Unit should ensure that Evaluation Committees adhere to the set evaluations criteria in the solicitation documents while conducting evaluation in accordance with Section 71 (3) of the PPDA Act, 2003.	March 2024
11.	The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.	March 2024
12.	The Head Procurement and Disposal Unit should ensure that the appropriate framework procurement processes are applied in accordance with Guideline No. 10/2014 (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services) dated 26 th September 2014.	March 2024
13.	Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.	March 2024

Annex 1: Findings and rating on the individual contracts reviewed

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Subject: Repair and maintenance of motor vehicle</p> <p>Reference number: BMC702/Supls/22-23/00014</p> <p>Procurement method: Open national bidding</p> <p>Contractor: M &N dealers Auto Spare parts & Transport service</p> <p>Contract value: UGX 6,440,000</p>	<p>Bidding</p> <ul style="list-style-type: none"> • Bidding document was not on file. <p>Missing records</p> <ul style="list-style-type: none"> • Record of issue of bids. • Record of receipt of bids. • Evaluation report was not on file to examine whether the right evaluation criteria was used • Best Evaluated bidder notice was not on file.
2.	<p>Subject: Construction of a two classroom block at Bugubo, Butambula Ps under Sector development</p> <p>Reference No. BMC702/Wrks/22-23/00003</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Reca Nero Logistics Ltd</p> <p>Contract value: UGX 78,968,000</p>	<ul style="list-style-type: none"> • The evaluation criteria in the solicitation document was inadequate, the form that details the key personnel was left blank except for an environmental and social development officer yet at evaluation bidders were assessed against possession of a project manager, site manager, foreman and mason. • The evaluation criteria in the solicitation document was silent on key equipment, however, at evaluation bidders were assessed against provision of evidence of possession of key equipment which the BEB Nero logistics limited did not provide. <p>Missing document</p> <ul style="list-style-type: none"> • Payment records. <p>Physical verification</p> <p>The glasses for the windows had not been done properly as a result the glasses had fallen off</p>
3.	<p>Subject: Supply of fuel and lubricants</p> <p>ReferenceNo.BMC702/Supls/22-23/00001</p> <p>Procurement method: Open national bidding</p> <p>Contractor:Noor Energy Ltd</p> <p>Contract value:</p>	<p>Bidding</p> <ul style="list-style-type: none"> • This was handled as part of prequalification process. • There was no advert for fuel under framework, therefore no evidence of invitation of bids <p>Evaluation</p> <ul style="list-style-type: none"> • There was no detailed evaluation conducted. The report for framework simply included the recommendation for award without the requisite preliminary, technical evaluation and financial evaluation.

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Procurement of road construction materials</p> <p>Reference number: BMC702/Supls/22-23/00015</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Muhitimu General Enterprises</p> <p>Contract value: UGX 32,320,000</p>	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • Delayed initiation. The Planned initiation was scheduled on 18/08/2022 while the actual initiation was done on 25th /05/2023. • Low bidder participation as only two bids were received from Muhitimu General Enterprises Ltd and Mickie Technical Services (U) Ltd.
2.	<p>Subject: Procurement of school desks (54, 3 seater) in Eastern division</p> <p>Reference number: BMC702/Supls/22-23/00017</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Basham Associates (U)Ltd</p> <p>Contract value: UGX 10,800,000</p>	<p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only one bidder from Basham Associates (U) Ltd was received. <p>Evaluation</p> <ul style="list-style-type: none"> • The evaluation criteria were inadequate as it did not state the financial capacity for eligibility of the bidders. <p>Contracting and contract management</p> <ul style="list-style-type: none"> • Partial payment of UGX 5,400,000 and a balance of UGX 5,400,000 was to be paid.
3.	<p>Subject: Construction and installation of rain water (10,000liter plastic tank) harvesting facility at Bugubo Butambula Primary School</p> <p>Reference number: BMC702/Wrks/22-23/00006</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Muzela General Enterprises (U)Ltd</p> <p>Contract value: UGX 15,559,520</p>	<p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Yofisa Investments Ltd and Muzela General Enterprises Ltd out of the three that were invited. <p>Evaluation</p> <ul style="list-style-type: none"> • The evaluation criteria required bidders to attach relevant academic documents for proposed key personnel without stating the required qualifications. <p>Contracting and contract management</p> <p>Short display of the No.BEB of 6 working days. Displayed from 27th/04/2023 and date of removal was on 4th/05/2023</p>

Annex 3: Transaction list and rating per case

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	BMC702/Supls/22-23/00015	Procurement of road construction materials	Framework	Muhitimu General Enterprises	32,320,000	Low
2.	BMC702/Supls/22-23/00017	Procurement of (54-3 seater desks for schools in Eastern division)	Selective bidding	Basham Associates (U)Ltd	10,800,000	Low
3.	BMC702/wks./22 – 23/00001	Supply & installation of (13) solar street lights in Bugiri Municipal Council and in Western Division under DDEG	Open Bidding	Jack Manufacturer's and Distributor Ltd	65,880,750	Medium
4.	BMC702/Supls/22-23/00003	Construction of a two classroom block at Bugubo- Butambula Primary School under development Grant	Open domestic bidding	Reca Nero Logistics	80,420,000	High
5.	BMC702/Supls/22-23/00004	Construction of a twin staff house at Bugiri Municipal Council Health Centre	Open domestic bidding	Danzu Investments Ltd	165,081,358	Medium
6.	BMC702/Srvcs.22 – 23/00001	Extension of revenue source for management of entertainment	Tendering	Wandera Nyaka Dian	100,000	Medium
7.	BMC702/Wrks/22-23/00001	Supply and installation of (04) solar street lights under DDEG	Direct procurement	Jack Manufacturers and Distributors Limited	24,809,500	Medium
8.	BMC702/Supls/22-23/00002	Procurement of fuel	Framework	Noor Energy Limited Total(U) Ltd	59,071,994	High
9.	BMC702/Supls/22-23/00014	Repair and maintenance of motor vehicles	Framework	M &N Dealers in Auto spare parts & Transport Services (U) Ltd	6,440,000	High
10.	BMC702/Wrks/22-23/00006	Construction and installation of rain water(10,000liter plastic tank)	Selective bidding	Muzela General Enterprises (U)Ltd	15,559,520	Low

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
		harvesting facility at Bugubo Butambula Primary School				
Total					460,483,122	