



**COMPLIANCE AUDIT REPORT FOR FINANCIAL YEAR
2022/23**

GULU REGIONAL REFERRAL HOSPITAL

APRIL 2024

TABLE OF CONTENTS

ACRONYMS	iii
EXECUTIVE SUMMARY	iv
CHAPTER 1: INTRODUCTION	1
1.1 Background	1
1.2 Objective of the Compliance Audit	1
1.3 Scope of the Compliance Audit	1
1.4 Methodology	1
CHAPTER 2: FINDINGS AND RECOMMENDATIONS	2
2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS 2014 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES	2
2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS 2014	16
2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS	17
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	25
3.1 Overall Compliance audit Conclusion	26
3.2 Recommended Action Plan.....	28
Appendix 1: Summary case by case	30
Appendix 2: Transaction List with Risk Rating	36
Appendix 3: Risk Rating Criteria	37
Appendix 4: List of the Contracts Committee members	38
Appendix 5: List of Procurement and Disposal Unit staff.....	38

LIST OF TABLES

Table 1: Procurement plan implementation rate	2
Table 2: Unimplemented procurements.....	2
Table 3: The list of individuals that were advanced the funds to procure	3
Table 4: Implementation of previous recommendations	4
Table 5: Procurement where direct procurement method was unjustifiably used	6
Table 6: Bidding documents with ambiguous criteria	7
Table 7: Procurement transactions with irregularities in their evaluation process	8
Table 8: Procurements with anomalies at the contract signing stage	13
Table 9: Signed contracts based on expired and invalid bids	15
Table 10: Items procured outside the framework agreement.....	19
Table 11: Items procured at varying prices from those in the bidder's offer and in the contract	20
Table 12: Supplies and services completed without call off orders.....	22
Table 13: Procurement with retrospective processes.....	24

Table 14: Procurements missing records	25
Table 15: The risk rating is as follows:.....	26
Table 16: Summary of performance of Gulu Regional Referral Hospital.....	26
Table 17: Recommended Action Plan	28

LIST OF FIGURES

Figure 1: Risk Rating by Number	26
Figure 2: Risk Rating by Value	27

ACRONYMS

FY	Financial Year
GCC	General Conditions of Contract
Ltd	Limited
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance audit of Gulu Regional Referral Hospital that covered a sample of 14 procurement transactions under Financial Year 2022/23. The overall objective of the compliance audit was to assess and establish the degree of compliance of Gulu Regional Referral Hospital's procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2014 and assess the level of procurement performance over the compliance audit period.

From the findings of the compliance audit exercise, the performance of Gulu Regional Referral Hospital for Financial Year 2022/23 was **moderately satisfactory** with an average weighted risk rating of **65.7%** as per the ranking in table 17 under Chapter 3 of the compliance audit report.

The performance was attributed to the following key exceptions:

1. Irregular advancement of funds to Hospital staff to procure items without following the stipulated procurement methods and procedures enshrined under the PPDA Act, 2003 and PPDA Regulations, 2014. This poses a high risk of fraud of government funds and it is an indicator of undermining or abuse of the procurement system provided for in the PPDA Act, 2003 and Regulations, 2014;
2. The Entity did not fully implement all the Authority's audit recommendations for Financial Year 2021/22. Out of the 19 recommendations made, six (32%) were implemented, four (21%) were partially implemented and nine (47%) were not implemented. Failure to fully implement the Authority's audit recommendations is a breach of Section 9 of the PPDA Act 2003 and affects the performance of the procurement and disposal function in the Entity;
3. Unjustified use of the direct procurement method for the procurement of supply and installation of submersible pump worth UGX 13,980,000 contrary to Regulation 8 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. This denies the Entity the benefit of competitive bidding where every provider attempts to offer the highest quality of the items at competitive pricing;
4. Use of ambiguous criteria in the bidding documents. The Authority found that the Entity issued bidding documents with ambiguous criteria in eight procurements worth UGX 504,322,303 contrary to Regulation 32 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. This leaves doubt or assumption to the bidders on what the Entity actually needs to be submitted for consideration for award of the contract;
5. Evaluation reports of all sampled procurements worth UGX 579,166,330 were marred by irregularities, for example, failure to evaluate bidders on criterion like experience and passing non-compliant bidders. Irregular bid evaluation exposes the Entity to the risk of awarding contracts to non-compliant/ incompetent bidders that may fail to execute the contracts in time and without compromising quality;
6. Anomalies at contracting The Authority found irregularities at the contract signing stage in 14 procurements worth UGX 567,078,159, for example awarding the contract on price higher than the assessed market price and failure to enter into a binding contract with the supplier since the contract on file was not signed by the Accounting Officer, however, the supplier delivered the items and was paid;

7. Signing of the contracts based on expired/invalid bids. The Authority found that the Entity signed 14 framework contracts on 12th May 2023 after the respective bids had expired on 28th April 2023. The Authority further noted that whereas some bidders did not state in their bids the bid validity and one did not have the bid submission sheet, the Entity signed the contract based on such invalid bids. This makes the contracts null and void and could be rendered not executable in the event of litigation, and
8. Failure to dispose of obsolete assets. The board of survey conducted as at 30th August 2021 identified assets, for disposal, however, the Hospital did not dispose of the obsolete assets. The identified items included but were not limited to an ambulance, generators, broken beds, torn mattresses, expired drugs and laboratory supplies. Undisposed expired drugs and laboratory supplies may result into significant environmental hazards and public health risks.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - a) On a quarterly basis and in any other case, wherever necessary, review and update the Entity's procurement plan, in accordance with Section 58 (4) and (5) of the PPDA Act, 2003;
 - b) Ensure that before engaging the suppliers/providers, contracts are fully signed by both the procuring and disposing entity and the providers/suppliers in accordance with Section 26 (1) (g) of the PPDA Act, 2003;
 - c) Before signing a contract, confirm that the contract price is not higher than the assessed market price indicated at the commencement of the procurement process in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023;
 - d) Expedite the disposal process in order to avoid further depreciation of the assets and attain value for money in accordance with PPDA (Disposal of Public Assets) Regulations, 2023;
 - e) Ensure that hazardous pharmaceuticals such as expired drugs and laboratory supplies are incinerated through a designated medical incineration site;
2. The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 31 (g) of the PPDA Act, 2003;
3. The Head Procurement and Disposal Unit should:
 - a) Follow the rules for use of each procurement method in accordance with Regulation 24 and 25 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - b) Prepare complete, specific, and appropriate bidding documents for all procurements in accordance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - c) Always ensure that bids are valid before signing the contract, issue purchase order, or other communication in any form, conveying acceptance of a bid that binds the Entity to a contract with a provider in accordance with Regulation 6 (1) (c) of Contracts) Regulation, 2023;
4. The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

Gulu Regional Referral Hospital should implement the recommended action plan on **Pages 28-29** of this report.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance audit of Gulu Regional Referral Hospital that covered a sample of 14 procurement transactions under Financial Year 2022/23 vide Appendix 2. The overall objective of the compliance audit was to assess and establish the degree of compliance of Gulu Regional Referral Hospital's procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2014 and assess the level of procurement performance over the compliance audit period.

1.2 Objective of the Compliance Audit

The primary objective of the exercise was to provide assurance on full and correct application of the PPDA Act, Regulations and Guidelines by Gulu Regional Referral Hospital.

The specific objectives were to:

1. To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Regulations 2014 with regard to the performance of the procurement structures and conduct of procurement and disposal processes.
2. To assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and Regulations 2014.
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 Scope of the Compliance Audit

The Audit involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 14 procurement transactions worth **UGX 567,078,159** conducted during the FY 2022/2023, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2**.

1.4 Methodology

A sample of 14 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports.

Two Senior Officers conducted the exercise under the supervision of the Senior Manager Performance Monitoring – Regional Offices. During the exercise, the team examined records and documents for each of the 14 sampled procurement transactions. The team also reviewed the procurement plan for the Financial Year 2022/2023.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff before the team could embark on preparation of the management letter. The management letter was sent to the Entity on **14th December 2023** with a request to submit a management response by **21st December 2023**, which was submitted on **31st January 2024**

This report presents the key findings and conclusions arising from the compliance audit exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS 2014 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

2.1.1 Procurement Implementation Rate

Table 1 below summarizes information on the procurement plan implementation. The procurement plan implementation rate was at 44.4% with a budget variance of UGX 1,206,905,000:

Table 1: Procurement plan implementation rate

Total procurement plan value (UGX)	2,172,174,000
Actual procurement spend (UGX)	965,269,000
Variance (UGX)	1,206,905,000
Percentage implementation rate (%)	44.4%

The following items and services were not procured during the Financial Year 2022-2023 despite inclusion in the procurement plan as indicated in Table 2:

Table 1: Unimplemented procurements

No.	Subject of procurement	Planned Amount (UGX)
1.	Information and Communication Technology	224,000,000
2.	Property management expenses	24,744,000
3.	Firewood, gas and charcoal	12,000,000
4.	Consultancy Services	15,000,000
5.	Maintenance other than fixed assets	61,161,000
6.	Residential building acquisition	870,000,000
	TOTAL	1,206,905,000

Implication

Failure to procure all items in the procurement plan compromises the achievement of the annual budget targets and objectives and the hospital's mission.

Management Response

Failure to procure all items in the procurement plan sometimes arises due to limited funds released however, the recommendation has been noted.

The residential building acquisition was not done due to contract ending coupled with delayed approval of extension by the solicitor general.

Recommendations

To address variances, the Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003.

2.1.2 Irregular advancement of funds to Hospital staff to procure items without following the stipulated procurement methods and procedures enshrined under the PPDA Act, 2003 and PPDA Regulations, 2014

Procurement funds worth UGX 34,585,001 were advanced to the Hospital staff to procure items contrary to the set procedures stipulated in the PPDA Act, 2003 and Regulations, 2014 as indicated in Table 3 below:

Table 3: The list of individuals that were advanced the funds to procure

No.	Name of the individuals that were advanced money to procure	Date	Amount Advanced (UGX)
1.	Mr. Stephen Onyolo	30 th August 2022	3,850,000
2.	Mr. Stephen Onyolo	30 th August 2022	500,000
3.	Mr. Sulai Tambulira	30 th August 2022	400,000
4.	Mr. James Emeru	21 st October 2022	150,000
5.	Mr. Emeru James	25 th October 2022	300,000
6.	Mr. Mercy Muyambi	25 th October 2022	200,000
7.	Mr. Charles Amone	31 st October 2022	7,500,000
8.	Ms. Juliet Chebet	14 November 2022	1,000,000
9.	Ms. Gloria Mary Bahati	5 th April 2023	1,150,000
10.	Mr. Charles Amone	13 th April 2023	7,500,000
11.	Mr. Cristopher Basiima	18 th April 2023	4,535,001
12.	Mr. Charles Amone	9 th June 2023	7,500,000
	Total		34,585,001

The Authority noted the following irregularities:

- a) Procurement requisitions were not submitted to the Procurement and Disposal Unit to recommend the appropriate procurement methods and procedures contrary to Section 31 (g) of the PPDA Act, 2003.
- b) There was no documented evidence to indicate that the Contracts Committee adjudicated the procurement process in accordance with Section 28 of the PPDA Act, 2003.
- c) The Entity did not evaluate the capacity of the providers through bid evaluation to establish whether the items were obtained from eligible and technically capable providers,
- d) The Entity did not have any written agreements/contracts with the providers hence this posed a risk to the Entity in case the goods or services turned out defective.
- e) Payments were made to staffs who were not the providers of the goods or services contrary to Regulation 49 (2) of the PPDA (Contracts) Regulations, 2014.
- f) The procurements were not verified by the Internal Auditor contrary to Regulation 32 (1) (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2014.
- g) The procurements were not reported to the Contracts Committee and the Authority contrary to Section 31 (p) of the PPDA Act, 2003 and Regulation 20 of the PPDA (Procuring and Disposing Entities) Regulations, 2014.

Implication

- Advancing funds to individuals poses a high risk of fraud and abuse of government funds.
- Conducting procurements by staff on behalf of the Entity is an indicator of undermining or abuse of the procurement system provided for in the PPDA Act, 2003 and Regulations, 2014.

Management response

Management has taken note and going forward, User departments have been making requisitions and are channelled through the Procurement Unit.

Framework contracts for Stationery and Toner cartridges are now in place and are awaiting clearance by Solicitor General. The Entity is in process of advertising for more routinely procured items.

Recommendations

1. The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 31 (g) of the PPDA Act, 2003.
2. The Accounting Officer may delegate a procurement function or a disposal function of the Accounting Officer, Contracts Committee or the procurement and disposal unit to a sub division of the Entity or a member of staff of the Entity in accordance with Regulation 16 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
3. The Head Procurement and Disposal Unit should appropriately plan to procure repetitively used items through framework contracting in accordance with Section 881. of the PPDA Act, 2003.

2.1.3 Failure to fully implement the Authority's recommendations

The Entity was issued with the previous audit report for Financial Year 2021/22 in November 2022 and out of the 19 recommendations made, six (32%) were implemented, four (21%) were partially implemented and nine (47%) were not implemented as indicated in Table 4 below:

Table 4: Implementation of previous recommendations

Recommendation	Action Date
The Accounting Officer should: 1. Regularly conduct or designate persons to regularly conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity. 2. Ascertain that corrective action is undertaken by relevant stakeholders in implementation of all the Authority's recommendations in accordance with Section 9 (1) (a) of the PPDA Act, 2003. 3. Expedite the disposal process in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2014.	Not implemented Partially implemented Partially implemented
The Head Procurement should: 1. In preparation of the procurement plan include a realistic time schedule of the procurement requirements in accordance with Regulation 4 (c) of the PPDA (Procuring and Disposing Entities) Regulations, 2014. 2. Follow the rules for use of each procurement method for each particular procurement in accordance with Regulation 11 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. 3. Prepare complete, specific, and appropriate bidding documents for all procurements in accordance with Regulation 32 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.	Not implemented Partially implemented Not implemented
User Departments should:	

Recommendation	Action Date
1. Inform the Head Procurement and Disposal Unit to update the procurement plan in the event that amendments are made to their departmental work plans in accordance with Section 58 (4) of the PPDA Act, 2003.	Not implemented
2. Submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 31(g) of the PPDA Act, 2003.	Not implemented
3. Nominate to the Accounting Officer, a member of the user department with appropriate skills and experience, or who is supervised by a member of the user department who has the appropriate skills and experience, to be appointed as contract manager in accordance with Regulation 52 (1) of the PPDA (Contracts) Regulations, 2014.	Not implemented
The Contracts Committee should:	
1. Before adjudication on the submissions made by the Procurement and Disposal Unit, consider each request based on the information contained in the Form submitted and the completeness of supporting documents in accordance with Regulation 13 (2) of the PPDA (Procuring and Disposing Entities) Regulations, 2014.	Not implemented
2. Play its oversight role to ensure that all terms and conditions in both the bidding documents and draft contracts are filled correctly and are of quality before approval.	Partially implemented
Evaluation Committee members should adhere to the evaluation criteria set out in the solicitation documents during bid evaluation in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.	Not implemented
The Internal Audit Unit should conduct audits of the procurement and disposal procedures as well as the payments made in accordance with Regulation 32 of the PPDA (Procuring and Disposing Entities) Regulations, 2014.	Not implemented

Implication

Failure to fully implement the Authority's recommendations is a breach of Section 9 of the PPDA Act, 2003 and affects the performance of the procurement and disposal function in the Entity.

Management Response

Management has taken note of the recommendations however, contracts committee has started on the implementation of the recommendations, User departments now prepare requisitions and are submitted to the Procurement Unit for appropriate action.

The Accounting Officer now appoints contract managers for contracts signed. The disposal process is ongoing and all items due for disposal have been identified and seen by the adhoc Board of survey team. Management is waiting for the report for execution.

Recommendation

The Accounting Officer should ascertain that corrective action is undertaken by all key stakeholders in implementation of all the Authority's recommendations in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

2.1.4 Failure by the Internal Auditor to provide assurance on the Entity's procurement and payment processes

The Authority found that the Internal Audit Unit did not audit the procurement procedures used for each procurement and the payments made to establish whether the supplies or services were properly ordered, received, verified and paid for in accordance with PPDA Act 2003, contrary to Regulation 32 of the PPDA (PDEs) Regulations, 2014.

Implication

There was no assurance of value for money for all supplies, works or services procured during the period under review.

Management response

We observe the anomaly and Internal audit shall conduct audits of the procurement and disposal procedures as well as the payments. Auditing of the procurement function is currently included in the Internal Audit Workplan for the Financial Year.

Recommendation

The Accounting Officer should prevail over the Internal Audit Unit to conduct audits of the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Unjustified use of the direct procurement method

The Authority found that the Entity unjustifiably used direct procurement method for the procurement of supply and installation of submersible pump worth UGX 13,980,000 contrary to Regulation 8 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014, as detailed in the Table 5 below:

Table 5: Procurement where direct procurement method was unjustifiably used

No	Subject of procurement	Findings
	Supply and installation of submersible pump worth UGX 13,980,000 Provider: Skylar Water and Energy Ltd	The procurement was initiated and approved on 6 th September 2022 and the Contracts Committee on 8 th November 2022 approved the direct procurement method citing "Urgent" as the justification. However, the Authority found that the Entity had enough time to shortlist capable bidders to participate in the bidding process. In addition, there was no: <ul style="list-style-type: none">• Record of issue of bidding document• Record of bid received• Record of bid opening

Implication

Unjustified use of the direct procurement method denies the Entity the benefit of competitive bidding where every provider attempts to offer the highest quality of the items at competitive pricing

Management response

Management has taken note of the recommendation.

Recommendation

The Head Procurement and Disposal Unit should follow the rules for use of each procurement method in accordance with Regulation 24 and 25 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.6 Use of ambiguous criteria in the bidding documents

The Authority found that the Entity issued bidding documents with ambiguous criteria in eight procurements worth UGX 504,322,303 contrary to Regulation 32 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 as detailed in Table 6 below:

Table 6: Bidding documents with ambiguous criteria

No.	Procurement Subject	Amount (UGX)	Exceptions
1.	Provision of Accommodation and Conference Services in Kitgum -Little Palace Hotel Kitgum	29,938,553	<ul style="list-style-type: none">• The bidding document required a relevant experience in similar services but it did not clearly indicate years of experience or number of agreements or LPOs to be submitted.• Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however the required period of the income tax clearance was not stated.
2.	Supply of Electrical consumables -Luwe Electrical Centre (U) Ltd	41,400,898	
3.	Supply of Electrical consumables -Guzi Investments Limited	42,900,798	
4.	Printing services and assorted stationary -ASSPRO Investments Limited	69,808,608	
5.	Supply of assorted electrical consumables -Leoro-med Supply and Services Ltd	9,648,000	
6.	Disposal of Non-Medical waste -Nellines International Ltd	14,055,085	
7.	Supply of non-medical sundries -ASSPRO Investments Limited	69,808,608	

No.	Procurement Subject	Amount (UGX)	Exceptions
8.	Supply of sundries, uniforms, curtains, protective wares, linens, mattresses mackintosh - Nellines International Ltd	45,014,119	
9.	Supply of assorted medical equipment spares and parts - Lale Group Limited	119,184,600	
10	Supply of tyres and tubes to Gulu RRH -Wamuco Motors (U) Ltd	62,563,034	
	Total	504,322,303	

Implication

Ambiguous criteria leave doubt or assumption to the bidders on what the Entity actually needs to be submitted for consideration for award of the contract.

Management response

Most of the above mentioned procurements fall within the threshold of Request for Quotations as a procurement method. The firms that are always invited to bid are prequalified and issues to do with experience, capacity are taken note of during the prequalification process. Therefore, the Entity has no doubt in their competence however, management has taken note of the unclear evaluation criteria.

***Authority's comment:** All the ten procurement transactions listed in Table 6 above were framework contracts that were conducted using open domestic bidding. It is also important to note that bidding documents should have clear, complete and appreciate evaluation criteria regardless of the procurement method used.*

Recommendations

The Head Procurement and Disposal Unit should prepare complete, specific, and appropriate bidding documents for all procurements in accordance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7 Irregularities during evaluation of bids

The Authority found irregularities in the evaluation of 14 procurement transactions worth UGX 579,166,330 as indicated in the Table 7 below:

Table 7: Procurement transactions with irregularities in their evaluation process

No.	Procurement Subject	Amount (UGX)	Exceptions
1.	Provision of Accommodation and Conference Services in Kitgum -Little Palace Hotel Kitgum	37,619,639	<ul style="list-style-type: none"> Little Palace Hotel submitted Power of Attorney that was not registered as it was required in the bidding document. Part 1 Section 3 C of the evaluation methodology and ITB 22.2

No.	Procurement Subject	Amount (UGX)	Exceptions
			<p>required a duly registered/ Notarized Powers of Attorney.</p> <ul style="list-style-type: none"> ITB 21.1 stated that a bid securing declaring shall be required. Little Palace Hotel Kitgum submitted a bid securing declaration that was not signed by a person who had Powers of Attorney. Mr. Robert Opio signed the bid securing declaration instead of Mr. Ben Okech that had been granted Powers of Attorney.
2	Supply of Electrical consumables -Luwe Electrical Centre (U) Ltd	41,400,898	<ul style="list-style-type: none"> Luwe Electrical Centre (U) Ltd indicated that the bid was valid until the date specified in ITB 18.1. However, it was found that there was no ITB 18.1 in the bid data sheet. ITB 20.1 of bid data sheet required a bid validity date of 28th April 2023. Failure by the Luwe Electrical Centre (U) Ltd to submit tax clearance certificate and it was evaluated compliant on this criterion. Failure by Luwe Electrical Centre (U) Ltd to submit a registered Power of Attorney. This was against ITB 22.2 that required a registered or notarized Power of Attorney. Failure by Luwe Electrical Centre (U) Ltd to submit evidence of access to financial resources of at least UGX 10,000,000 from their banker. However, it was evaluated compliant on this criterion.
3.	Supply of Electrical consumables -Guzi Investments Limited	42,900,798	<ul style="list-style-type: none"> Guzi Investments Limited indicated that the bid was valid until the date specified in ITB 18.1. However, it was noted that there was no ITB 18.1 in the bid data sheet. ITB 20.1 of bid data sheet required a bid validity date of 28th April 2023.

No.	Procurement Subject	Amount (UGX)	Exceptions
			<ul style="list-style-type: none"> • Guzi Investments Limited submitted experience from Fort Portal Regional Referral Hospital for supply of medical equipment spare parts. This was not related to the experience of supply of electrical consumables.
4.	Printing services and assorted stationary - ASSPRO Investments Limited	69,808,608	<ul style="list-style-type: none"> • ASSPRO Investments Limited did not submit financial statements.
5.	Disposal of Non- Medical waste -Nellines International Ltd	14,055,085	<ul style="list-style-type: none"> • Nellines International Ltd did not submit a registered power of attorney contrary to ITB 22.2 that required a registered or notarized Power of Attorney. The bidder submitted POA that was specific to the supply of assorted school furniture in Amuru DLG. • Nellines International Ltd submitted an expired PPDA register of providers certificate i.e. whereas the bidding process was in 2022 the certificate had expired on 31st December 2020. • Nellines International Ltd submitted a bid submission sheet that was not signed. • Nellines International Ltd did not indicate their bid validity period.
6.	Supply of sundries, uniforms, curtains, protective wares, linens, mattresses mackintosh - Nellines International Ltd	45,014,119	<ul style="list-style-type: none"> • Nellines International Ltd did not submit a registered power of attorney contrary to ITB 22.2 that required a registered or notarized Power of Attorney. The bidder submitted POA that were specific for supply of assorted school furniture in Amuru DLG. • Nellines International Ltd submitted a bid submission sheet that was not signed.

No.	Procurement Subject	Amount (UGX)	Exceptions
			<ul style="list-style-type: none"> • Nellines International Ltd did not indicate their bid validity period.
7.	Supply of non-medical sundries -ASSPRO Investments Limited	69,808,608	ASSPRO Investments Limited did not submit financial statements.
8.	Maintenance of motor vehicles, road equipment, plant and motorcycles - KK Motor Garage Gulu	39,752,288	<ul style="list-style-type: none"> • KK Motor Garage Gulu did not submit a bid submission sheet • The Powers of Attorney were not registered • KK Motor Garage Gulu did not submit CVs of key personnel as was required in the bidding document • KK Motor Garage Gulu submitted unsigned bid securing declaration
9.	Motor vehicle hire Patmos Phone City (SMC) Limited	2,542,373	<p>Patmos Phone City (SMC) Limited did not submit the following:</p> <ul style="list-style-type: none"> • a bid securing declaration • Evidence of fulfilment of tax obligations • A registered Powers of Attorney • Signed code of ethical conduct in business for bidders and providers • Evidence of ownership and/or lease of the following proposed motor vehicles in the bid: <ul style="list-style-type: none"> a) Toyota Super Custom 2000 b) Toyota Drone 2018 c) Toyota Land Cruiser d) Toyota Hilux Double Cabin • Evidence of experience in motor vehicle hire. The only experience the bidder submitted were contracts for: <ul style="list-style-type: none"> a) Supply and maintenance of electronics, courier services (fuel and ace one), airtime and general supplies between the bidder and ACE Energy Solutions (U) Ltd dated 12th October 2022 b) Supply of computers, printers, photocopying machines, extension cables,

No.	Procurement Subject	Amount (UGX)	Exceptions
			flipchart stands and any other ICT equipment that may be required between the bidder and Bomah Hotel Limited dated 27 th September 2019.
10.	Supply of non-medical sundries Blue Son Co. Ltd	16,536,780	<ul style="list-style-type: none"> • The best evaluated bidder did not submit a bid securing declaration • The best evaluated bidder did not submit evidence of experience in supply of non-medical sundries. The LPOs submitted were for: <ol style="list-style-type: none"> a) Twenty cartons of paper and 50 box files worth UGX 2,950,000 dated 12th Aug 2020 for Platinum Credit Ltd b) Provision of lunch for sept for 50 staff worth UGX 10,000,000 dated 20th Aug 2020 for Gallant Security c) Supply of posho, beans, soap worth UGX 3,197,800 for KK Security dated 6th Aug 2020 d) Supply of posho, beans, rice, cooking oils, assorted vegetables worth UGX 4,060,000 for Kamed Security Services dated 26th Aug 2020
11.	Printing -Abedenego Investments Ltd	3,999,500	The best evaluated bidder submitted a suspected unauthentic tax clearance certificate, Certificate Reference Number: CR0120011072 was invalid as per the URA portal.
12.	Supply of tyres and tubes to Gulu RRH -Wamuco Motors (U) Ltd	62,563,034	The best evaluated bidder submitted a bid securing declaration with a validity up to 28 th May 2022 yet the bidding period was from 17 th November 2022 to 15 th December 2022.
13.	Supply of assorted medical equipment spares and parts -Lale Group Limited	119,184,600	The best evaluated bidder submitted a forged tax unauthentic certificate, Certificate Reference Number: LI0222010418314 that was invalid on the URA portal (i.e. does not exist)

No.	Procurement Subject	Amount (UGX)	Exceptions
14.	Supply and installation of submersible pump -Skylar Water and Energy Ltd	13,980,000	The eligibility criteria in the bidding document required bidders to attach at least two LPOs to evidence experience; however, the best evaluated bidder, Skylar Water and Energy Ltd, did not submit evidence of their experience.
	Total	579,166,330	

Implications

- This implies that contracts were awarded to firms that lacked all the requirements for executing contracts with the Government of Uganda.
- Irregular evaluation of bids exposes the Entity to the risk of not getting the best bidder in terms of quality and cost and is also unfair to the undeservingly eliminated bidders.
- There was a risk of collusion to create unfair advantage for some bidders.

Management Response

Management has taken note and improvement will be ensured in the next Financial Years. This has been ensured through periodic training of the relevant staff on their roles and responsibilities.

Recommendations

1. The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
1. The Accounting Officer should task the Evaluation Committee comprised of Mr. Absolom Emudu, Mr. Geoffrey Lukwiya, Ms. Mary Gloria Bahamian, Ms. Gloria Adoch, Mr. Rodgers Onen and Mr. Ronald Komakech to show cause why disciplinary action should not be taken against them for the irregularities in evaluations they conducted.

2.1.8 Anomalies at the contracting

The Authority found irregularities at the contract signing stage in the following procurements worth UGX 567,078,159 as detailed in Table 8 below:

Table 8: Procurements with anomalies at the contract signing stage

No.	Subject of procurement	Exceptions noted
1.	Supply and installation of submersible pump worth UGX 13,980,000 Provider: Skylar Water and Energy Ltd	The contract on file was not signed by the Accounting Officer, implying there was no binding contract between the two parties; however, the Authority found that the provider delivered the items on 14 th November 2022 and was paid. No record of attendance of the Contracts Committee sitting that approved contract award for the above direct procurement i.e no evidence of quorum.

No.	Subject of procurement	Exceptions noted
		The Authority found that only the Chairperson and the Secretary Contracts Committee signed the minutes, but without a signed record of attendance hence there is no proof that there was a quorum of 3 CC members that approved that contract.
2.	Supply of assorted electrical consumables Leoro-med Supply and Services Ltd UGX9,648,000	<ul style="list-style-type: none"> • Awarding the contract on price higher than the assessed market price i.e. the Entity's market price assessment was UGX 9,648,000 and the contract was awarded at UGX 12,440,000. • Failure to enter into a binding contract with the supplier. The contract on file was not signed by the Accounting Officer, however, the supplier delivered the items and was paid.
3.	All the framework contracts UGX 543,450,159	Failure to prepare the Notice of best evaluated bidder after the contracts committee awarded the contracts for frameworks

Implication

- Non- issuance of the notice of best evaluated bidder to the unsuccessful bidder denies the bidder an opportunity to appeal the award decision in case of contract award dissatisfaction.
- Engaging suppliers/providers to supply without a fully signed contract exposes the Procuring and Disposing Entity to the risk of disputes/disagreements in case of any defects.
- Awarding the contract on price higher than the assessed market price may cause domestic arrears to the government.

Management response

Management has taken note of the anomaly however, all current contracts have been signed before execution/delivery.

Recommendation

1. The Accounting Officer should ensure that all concerned parties fully sign the contracts before supply is made.
2. The Accounting Officer should ensure that before engaging the suppliers/providers, contracts are fully signed by both the procuring and disposing entity and the providers/suppliers in accordance with Section 26 (1) (g) of the PPDA Act, 2003.
3. The Secretary of the Contracts Committee should maintain all the records of the minutes of the Contracts Committee and a register of attendance signed by the members and the advisers in the meeting in accordance with Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
4. The Accounting Officer should before signing a contract, confirm that the contract price is not higher than the market price established prior to the commencement of the procurement process in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023.
5. The Head Procurement Disposal Unit should ensure that the best evaluated bidder notice is displayed on the Entity's notice board and sent to all bidders in accordance with Regulation 3 of the PPDA (Contracts) Regulations, 2023.

2.1.9 Signing of the contracts based on expired/invalid bid

The Authority found that the Entity signed the following 15 framework contracts on 12th May 2023 after the bids had expired on 28th April 2023. The Authority further noted that whereas some bidders did not state in their bids the bid validity and one did not have the bid submission sheet, the Entity signed the contract based on such invalid bids as indicated in the Table 9 below:

Table 9: Signed contracts based on expired and invalid bids

No.	Procurement Subject	Name of the Supplier	Bid validity period offered by the bidders
1.	Provision of Accommodation and Conference Services in Kitgum	Little Palace Hotel Kitgum	The bidder indicated that the bid was valid until the date specified in ITB 18.1. However, it was found that there was no ITB 18.1 in the bid data sheet. ITB 20.1 of bid data sheet required a bid validity date of 28 th April 2023.
2.	Supply of Electrical consumables	Luwe Electrical Centre (U) Ltd	The bidder indicated that the bid was valid until the date specified in ITB 18.1. However, it was found that there was no ITB 18.1 in the bid data sheet. ITB 20.1 of bid data sheet required a bid validity date of 28 th April 2023.
3.	Supply of Electrical consumables	Guzi Investments Limited	The bidder indicated that the bid was valid until the date specified in ITB 18.1. However, it was found that there was no ITB 18.1 in the bid data sheet. ITB 20.1 of bid data sheet required a bid validity date of 28 th April 2023.
4.	Supply of non -medical sundries	ASSPRO Investments Limited	The bidder indicated that the bid shall be valid up to 28 th April 2023
5.	Printing services and assorted stationary	ASSPRO Investments Limited	
6.	Disposal of Non-Medical waste	Nellines International Ltd	The bidder did not indicate bid validity period
7.	Motor vehicle hire	Patmos Phone City (SMC) Limited	The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however, there was no ITB 18.1 in the issued bidding document.
8.	Printing	Abedenego Investments Ltd	The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however, there was no ITB 18.1 in the issued bidding document.

No.	Procurement Subject	Name of the Supplier	Bid validity period offered by the bidders
9.	Supply of tyres and tubes to Gulu RRH	Wamuco Motors (U) Ltd	The bidder indicated that the bid "shall be valid up to 28/04/23"
10.	Maintenance of motor vehicles, road equipment, plant and motorcycles	KK Motor Garage Gulu	This bidder did not have a bid submission sheet hence it was an invalid bid
11.	Supply of non-medical sundries	Blue Son Co. Ltd	The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however, there was no ITB 18.1 in the issued bidding document
12.	Supply of assorted electrical consumables and fittings	Lale Group Limited	The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however, there was no ITB 18.1 in the issued bidding document
13.	Supply of non-medical sundries	Lale Group Limited	
14.	Supply of assorted medical equipment spares and parts	Lale Group Limited	
15.	Supply of spare parts, batteries, service and repair of motor vehicles for Gulu RRH	Wamuco Motors (U) Ltd	The bidder indicated that the bid "shall be valid for 90 working days"

Implication

Signing contracts based on expired or invalid bids that do not have the bid validity period and a bid submission sheet makes the contracts null and void and could be rendered not executable in the event of litigation.

Management response

Management has taken note of the anomaly and going forward, the Head Procurement will ensure that bid validity periods are valid at the time of contract signing.

Recommendation

The Head Procurement and Disposal Unit should always ensure that bids are valid before signing the contract, issue purchase order, or other communication in any form, conveying acceptance of a bid that binds the Entity to a contract with a provider in accordance with Regulation 6 (1) (c) of Contracts) Regulation, 2023.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS 2014

2.2.1 Failure to dispose of obsolete assets

The board of survey conducted as at 30th August 2021 identified assets, for disposal, however, the Entity did not dispose of the obsolete assets. The identified items included but were not

limited to an ambulance, generators, broken beds, torn mattresses, expired drugs and laboratory supplies.

Implication

- The Entity's assets continue to lose value through depreciation and face risks of loss or vandalism.
- Undisposed expired drugs and laboratory supplies may result into significant environmental hazards and public health risks.

Management Response

Management appointed an adhoc Board of Survey team with representatives from Ministry of Works and Transport, Finance Ministry and Lands. The team has identified all the items due for disposal and the Entity is waiting to be furnished with the BOS report such that an auctioneer can be contracted to expedite this activity. The disposal exercise is at its final stages and shall be complete by end of February.

Recommendation

1. The Accounting Officer should expedite the disposal process in order to avoid further depreciation of the assets and attain value for money in accordance with PPDA (Disposal of Public Assets) Regulations, 2023.
2. The Accounting Officer should ensure that hazardous pharmaceuticals such as expired drugs and laboratory supplies are incinerated through a designated medical incineration site.

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

2.3.1 Failure to appoint Contract Managers

Whereas the User Departments assumed responsibility for managing contracts, there was no evidence that contract managers were nominated by the Heads of the User Departments and appointed by the Accounting Officer for all sampled contracts. Subsequently, there was also no evidence of acceptance of the appointment and hand over of copies of the contracts to the contract managers in a timely manner. It was observed however, that different individuals were certifying the deliveries and requesting for payments.

Implication

This affects effectiveness in supervision of contract execution as the contract managers don't formally take responsibility for their duties and responsibilities.

Management response

Going forward the Accounting Officer has been appointing Contract Managers for all contracts signed.

Recommendation

1. The Heads of User Departments should nominate contract managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 51(1) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should ensure that Contract Managers are appointed with the major

responsibility of managing the obligations and duties of the procuring and disposing entity specified in the contract and certain that the provider performs the contract in accordance with the terms and conditions specified in the contract in accordance with Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Failure to prepare contract management plans

The Authority found that all the sampled procurements worth UCX 826,851,511 lacked contract management plans.

Implication

Failure to prepare contract implementation plans hinders effective contract supervision and monitoring of milestones under the respective contracts.

Management response

Management has taken note for subsequent actions to correct findings.

Recommendation

Appointed contract managers should prepare contract management plans using Form 49 in Schedule 2, and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Failure to prepare monthly progress reports and appraisal reports

The individuals who managed the contracts did not submit reports on the progress of the contracts to the Procurement and Disposal Unit and Accounting Officer. Additionally, they did not appraise the performance of the providers. The Accounting Officer made payments in the absence of these reports which made it difficult to ascertain whether the contract terms were met satisfactorily and any challenges met during implementation effectively addressed.

Implications

- This denied the entity the opportunity to conduct timely interventions in case of challenges during implementation.
- It further exposed the Entity to the risk of making payments for defective supplies, services and works.

Management response

Management has taken note.

Recommendations

1. The contract managers should submit monthly reports on the progress or completion of the contract to the Accounting Officer and share a copy with the Procurement and Disposal Unit in accordance with Regulation 53(3) (g) of the PPDA (Contracts) Regulations, 2023.
2. The contract managers should appraise the performance of the providers and report on the performance of the providers to the Procurement and Disposal Unit.

2.3.4 Purchase of items not under framework arrangement

The Authority found that the Entity irregularly issued a call off order worth UGX 119,184,600 to Lale Group Limited including the supply of the items not on framework agreement as detailed in Table 10 below:

Table 10: Items procured outside the framework agreement

Item description	Quantity	Unit price	Total Price (UGX)
Pressure air horse pipe	50 metres	28,000	1,400,000
fan for baby incubator model 4000	2 pieces	450,000	900,000
light fillers for Olympus microscopes	24 pieces	359,500	8,628,000
power stabilizers	2	760,000	1,520,000
6kw heating element for tuttnauer model 3870MLV	2	1,650,000	3,300,000
lid gasket for autoclave tuttnauer model 3870MLV	3	520,000	1,560,000
Light fillers for Olympus microscopes	24	359,500	8,628,000
fridge evaporator plate	3	200,000	600,000
lid gasket for autoclave tuttnauer model 2340	3	560,000	1,680,000
top plug 13A, 240VAC british make	60	15,000	900,000
oxygen concentrator extended life filter for model 525KS	18	160,000	2,880,000
oxygen concentrator humidifier bottles	18	50,000	900,000
Heating element for infant warmer model IR-200	3	500,000	1,500,000
Step down transformer 240VAC/110VAC	4	600,000	2,400,000
Re-usable patient plates for diathermy machine	1	980,000	980,000
Mapp gas	6	235,000	1,410,000
4 way valve for the anaesthesia machine	2	1,240,000	2,480,000
automatic transmission fluid	12	20,000	240,000
surgical bulbs	48	75,000	3,600,000
Step down transformer 240VAC/24V, 48V,12V, 110VAC, 100W, 200W, 300W centre tapped	3	560,000	1,680,000
Heating element for auto clave model all American 50x 2KW	3	480,000	1,440,000
Heating element for auto clave model all American 25x 2KW	8	450,000	3,600,000
Heating element for auto clave model all American 70-75x 3KW	2	650,000	1,300,000
Single tube cuffs (adult) for BP machines	24	70,900	1,701,600
double tube cuffs (adult) for BP machines	18	65,000	1,170,000
x100 objective lenses for Olympus microscopes	9	2,200,000	19,800,000
x40 objective lenses for Olympus microscopes	3	900,000	2,700,000
x10 objective lenses for Olympus microscopes	2	500,000	1,000,000

Item description	Quantity	Unit price	Total Price (UGX)
condenser for olympus microscopes	3	485,000	1,455,000
light reflector for olympus microscopes	4	430,000	1,720,000
6v 20w halogen bulbs	40	70,000	2,800,000
eye pieces for Olympus microscopes	6	480,000	2,880,000

Implication

- This is an indicator of abuse of the use of contracts under framework arrangement since the items were acquired without following the laid down procedures for contracts under framework arrangement.
- The Entity was exposed to the risk of creation of domestic arrears as a result of undertaking procurements without adequate funds.
- There was no evaluation conducted for the items supplied and as such this exposed the Entity to the risk of defective supplies.

Management response

The anomaly was caused by the framework contracts that couldn't exhaust all unpredictable future needs. Management however has taken note for corrective action through ensuring that future framework contracts cover a wider scope of equipment.

Recommendation

1. The Accounting officer should ensure that call off orders are issued based on the items in the framework agreement and manage the framework agreements in accordance with Guideline (7) of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non -consultancy services) Guideline 10/2014.
2. To effectively manage the contract, the Heads of User Departments should nominate contract managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 51(1) of the PPDA (Contracts) Regulations, 2023.

2.3.5 Purchase of items at varying prices from those in the bidder's offer

The Authority found that the Entity issued the Call off Order worth UGX 119,184,600 to Lale Group Limited at varying prices from those in the bidder's bid as indicated in the Table 11 below:

Table 11: Items procured at varying prices from those in the bidder's offer and in the contract

Item description	Bidder's price (UGX)	Call Off Order price (UGX)	Variance (UGX)	Qty on Call Off Order	Total variance (UGX)
R 600a refrigerator gas	650,000	850,000	200,000	1	200,000
12V (20-30) Ah sealed maintenance free batteries	495,000	550,000	55,000	4	220,000
Gas R 22	635,000	850,000	215,000	2	430,000
Gas R 134a	600,000	850,000	250,000	1	250,000

Item description	Bidder's price (UGX)	Call Off Order price (UGX)	Variance (UGX)	Qty on Call Off Order	Total variance (UGX)
pressure gauges for auto clave all American	440,000	500,000	60,000	6	360,000
DC refrigerator compressor	780,000	930,000	150,000	2	300,000
240V panel mountable double pole switch with inbuilt pilot lamp	210,000	230,000	20,000	10	200,000
AC 230V Digital thermostat with display panel for refrigerators	870,000	700,000	170,000	8	(1,360,000)
50mm diameter caster wheels	240,000	35,000	(205,000)	32	(6,560,000)
100mm diameter caster wheels	380,000	40,000	(340,000)	40	(13,600,000)
150mm diameter caster wheels	400,000	65,000	(335,000)	32	(10,720,000)
1/5 HP refrigerator compressor	840,000	740,000	(100,000)	4	(400,000)
1/6 HP refrigerator compressor	830,000	740,000	(90,000)	4	(360,000)
1/8 HP refrigerator compressor	760,000	750,000	(10,000)	4	(40,000)
gasket marker	60,000	45,000	(15,000)	12	(180,000)
brazing rods (copper)	30,000	20,000	(10,000)	48	(480,000)
brazing rods (brass)	25,000	20,000	(5,000)	48	(240,000)
refrigerator charging valves	65,000	60,000	(5,000)	14	(70,000)

Implication

- Issuing the call off orders at varying prices from those in the bidder's offer exposes the Entity to the risk of incurring a financial loss.
- This exposes the Entity to the risk of creation of domestic arrears as a result of issuing call off orders at higher prices.

Management response

Management takes note and regrets the anomaly. Going forward, terms and conditions shall be adhered to.

Recommendation

Where a framework agreement is signed with the provider, call off orders should be issued on the basis of the terms and conditions laid down or agreed in the agreement in accordance with

Guideline (7) of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non -consultancy services) Guideline 10/2014.

2.3.6 Failure to prepare and issue call off orders for the following supplies that were under framework arrangement

Whereas the requisition forms were raised by the user departments and approved by the Accounting Officer, there were no call off orders prepared and issued to providers yet the providers were contracted to do the supply and provide services as indicated in Table 12 below:

Table 12: Supplies and services completed without call off orders

No.	Subject of procurement	Provider	Amount (UGX)	Exceptions
1.	Motor vehicle hire	Patmos Phone City (SMC) Limited	2,542,373	There was no Call Off Order
2.	Printing stationery	Abedenego Investments Ltd	4,479,440	There was no Call Off Order, and evidence of delivery and invoices
3.	Supply of tyres and tubes to Gulu RRH for Toyota Hilux Double Cabin UG 6465M and UG 5588M	Wamuco Motors (U) Ltd	<ul style="list-style-type: none"> • 4,672,800 • 4,800,000 	There was no Call Off Order
4.	Supply of spare parts, batteries, service and repair of motor vehicles for Gulu RRH (Prado TX UG 5588M)	Wamuco Motors (U) Ltd	22,572,928	There was no Call Off Order
5.	Supply of tyres and repairs for MV UAT 676X	Wamuco Motors (U) Ltd	4,555,932	Note: There was no Call Off Order, and evidence of completion of the supply and repair services as well as the invoice
6.	Repair of MV UG 5568M	Wamuco Motors (U) Ltd	<ul style="list-style-type: none"> • 3,892,851 • 7,330,713 	Both payments were made on 28 th November 2022; however, there was no Call Off Orders, and evidence of completion of the repair services as well as the invoice
7.	Maintenance of motor vehicles, road	KK Motor Garage Gulu	3,073,900	Whereas the Form 5 had a price of UGX

No.	Subject of procurement	Provider	Amount (UGX)	Exceptions
	equipment, plant and motorcycles (Repair and maintenance of motor vehicle UBB 590H)			1,159,000 (for service and battery); however, the works done amounted to UGX 3,073,900 without first obtaining the Accounting Officer's approval
8.	Repair and servicing of MV UG5586M	KK Motor Garage Gulu	4,650,847	There was no Call Off Order and evidence of completion of the services as well as the invoice
9.	Repair of MV UG4386M	KK Motor Garage Gulu	1,189,976	There was no Call Off Order and evidence of completion of the repair services as well as the invoice
10.	Servicing Generator	KK Motor Garage Gulu	4,251,254	There was no Call Off Order, and evidence of completion of the services as well as the invoice
11.	Supply of assorted electrical consumables and fittings	Lale Group Limited	4,890,932	There was no Call Off Order, evidence of delivery and invoices
12.	Supply of non-medical sundries	Lale Group Limited		
13.	Supply of dura cells	Patmos Phone City (SMC) Limited	2,462,800	There was no Call Off Order, evidence of delivery and invoices
14.	Meals and refreshments	Blue Son Co. Ltd	<ul style="list-style-type: none"> • 1,767,200 paid on 31st Oct 2022 • 3,186,600 paid on 17th Nov 2022 • 2,453,400 paid on 17th Nov 2022 	There were no Call Off Order, evidence of delivery and invoices

Implication

This is an indicator of abuse of procurement procedures since those items were acquired without following the laid down procurement procedures.

Management response

Management has taken note and regrets the anomaly.

Recommendation

The Head Procurement and Disposal Unit should ensure that before engaging the providers on framework contracts, the call-off orders are signed by the authorized signatory who is defined in the Special Conditions of Contract.

2.3.7 Irregular delivery of items before conclusion of evaluation, contract award by the Contracts Committee and signing a contract by the Accounting Officer

The Authority found that the procurement for supply and installation of submersible pump worth UGX 13,980,000 was done retrospectively as detailed in Table 13 below:

Table 13: Procurement with retrospective processes

No	Subject of procurement	Findings
	Supply and installation of submersible pump worth UGX 13,980,000 Provider: Skylar Water and Energy Ltd	The delivery note on file indicated that the provider delivered the items on 14 th November 2022; yet <ul style="list-style-type: none">• The evaluation report on file is dated 16th November 2022• The Contracts Committee minutes for award of the contract dated 17th November 2022 were only signed by the Secretary Contracts Committee. The Chairperson did not sign the minutes and there was no attendance list and signed code of ethical conduct to ascertain that there was a quorum of three CC members at time of the sitting.• The contract on file dated 18th November was not signed by the Accounting Officer.

Implication

- This exposes the Entity to the risk of undertaking procurements without adequate funds since delivery happened before the Accounting Office confirmed availability of funding.
- There is a risk of potential collusion to create unfair advantage for Skylar Water and Energy Ltd.
- There was no evaluation conducted for the items supplied and this exposed the Entity to the risk of defective supplies.

Management response

Management has taken note

Recommendation

1. The Accounting Officer should prevail over the Head Procurement and Disposal Unit to ensure all procurements are conducted in accordance with the PPDA Act, 2003 and Regulations 2023 in order to avoid retrospective approval process.

- The Secretary of the Contracts Committee should maintain all the records of the minutes of the Contracts Committee and a register of attendance signed by the members and the advisers in the meeting in accordance with Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.3.8 Missing records

The Authority found that key procurement records were not maintained on their respective files in the following procurement transactions worth UGX 567,078,159 contrary to Section 31(o) of the PPDA Act, 2003.

Table 14: Procurements missing records

No	Subject of procurement	Missing record
1.	All framework contracts UGX 543,450,159	<ul style="list-style-type: none"> All call off orders issued under framework arrangement Delivery notes/completion certificates Invoices Signed code of ethical conduct by Evaluation Committee members
2.	Supply and installation of submersible pump worth UGX 13,980,000	<ul style="list-style-type: none"> Bid for Skylar Water and Energy Ltd Evidence of payment for goods delivered
3.	Supply of assorted electrical consumables UGX 9,648,000	Record of bid opening

Implication

The lack of complete records may result in data loss, disruption of the audit trail and may affect the reputation and trustworthiness of the Entity.

Management Response

The anomaly in filing was due to lack of substantive staff in the PDU hence inability to complete the filing processes (despite the documents being available on payment vouchers). Moving forward, following deployment of procurement officer, all key procurement records will be maintained on their respective procurement files in accordance with Section 31(o) of the PPDA Act, 2003.

Recommendation

- User Departments should ensure that the Procurement and Disposal Unit is provided with all documents relating to all procurement transactions in accordance with Section 31 (o) of the PPDA Act 2003.
- The Accounting Officer should task the Head Procurement and Disposal Unit to file all records of the procurements in their respective procurement files.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section graphically presents the scores per area assessed under the different compliance audit questions.

3.1 Overall Compliance audit Conclusion

The performance of Gulu Regional Referral Hospital for the Financial Year 2022/23 was **moderately satisfactory** with an overall weighted average risk rating of **65.7%**.

Table 15: The risk rating is as follows:

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

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: Summary of performance of Gulu Regional Referral Hospital

Risk Rating	No.	% by No.	Weight	Weighted score by No.	Value	% Value	Weight	Weighted score by value
High	4	29	0.6	17.4	180,721,092	32	0.6	19.2
Medium	10	71	0.3	21.3	386,357,067	68	0.3	20.4
Low	-	-	0.1	-	-	-	0.1	-
Satisfactory	-	-	0	-	-	-	0	-
Total	14	100	1	38.7	567,078,159	100	1	40

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{25}{60} \times 100 = 64.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28.3}{60} \times 100 = 67\%$$

$$\text{The average weighted risk rating} = \frac{64.5 + 67}{2} = 65.7\%$$

Figure 1: Risk Rating by Number

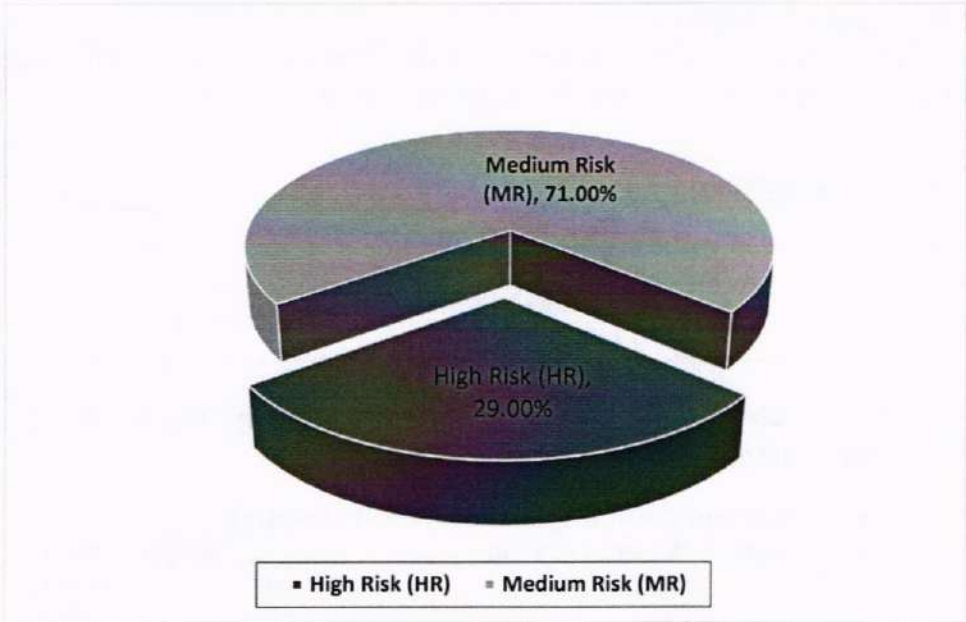
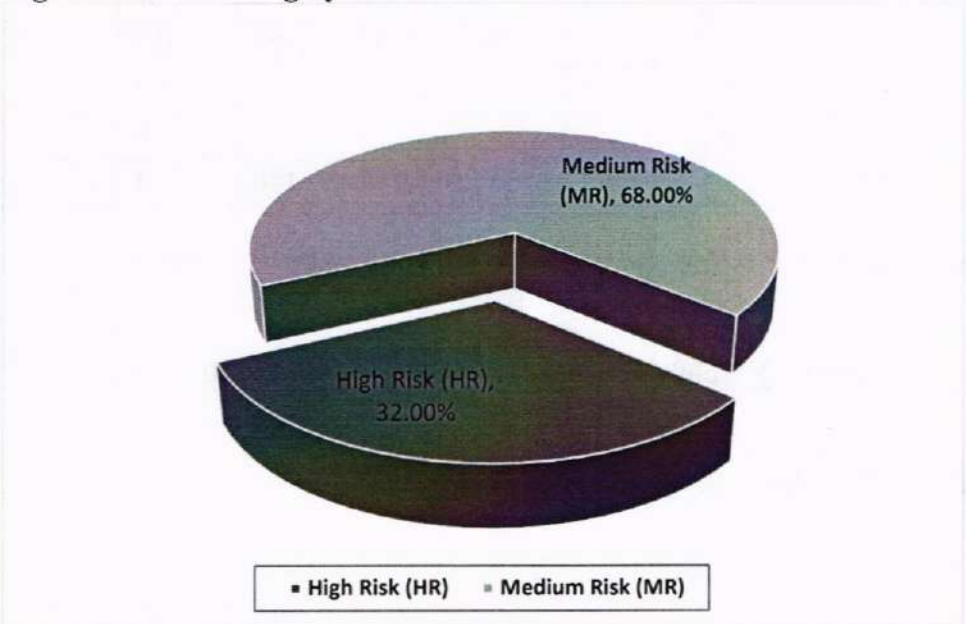


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Gulu Regional Referral Hospital should implement the following recommendations within the timeframe given to improve its performance in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

Table 17: Recommended Action Plan

Recommendation	Action Date
<p>The Accounting Officer should:</p> <ol style="list-style-type: none"> 1. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003. 2. On a quarterly basis and in any other case, wherever necessary, review and update the Entity's procurement plan, in accordance with Section 58 (4) and (5) of the PPDA Act, 2003; 3. Prevail over the Internal Audit Unit to conduct audits of the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023. 4. Ensure that before engaging the suppliers/providers, contracts are fully signed by both the procuring and disposing entity and the providers/suppliers in accordance with Section 26 (1) (g) of the PPDA Act, 2003: 5. Before signing a contract, confirm that the contract price is not higher than the market price established prior to the commencement of the procurement process in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023. 6. Expedite the disposal process in order to avoid further depreciation of the assets and attain value for money in accordance with PPDA (Disposal of Public Assets) Regulations, 2023. 7. Ensure that hazardous pharmaceuticals such as expired drugs and laboratory supplies are incinerated through a designated medical incineration site. 	Continuous
<p>The Head Procurement should:</p> <ol style="list-style-type: none"> 1. The Head Procurement and Disposal Unit should appropriately plan to procure repetitively used items through framework contracting in accordance with Section 881. of the PPDA Act. 2003. 2. Follow the rules for use of each procurement method in accordance with Regulation 24 and 25 of the PPDA (Rules and Methods for Procurement of Supplies. Works and Non- Consultancy Services) Regulations, 2023; 3. Prepare complete, specific, and appropriate bidding documents for all procurements in accordance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies. Works and Non-Consultancy Services) Regulations, 2023. 4. Always ensure that bids are valid before signing the contract, issue purchase order, or other communication in any form, conveying acceptance of a bid that binds the Entity to a contract with a provider in accordance with Regulation 6 (1) (c) of Contracts) Regulation, 2023. 	Continuous

Recommendation	Action Date
5. Ensure that the best evaluated bidder notice is displayed on the Entity's notice board and sent to all bidders in accordance with Regulation 3 of the PPDA (Contracts) Regulations, 2023	
User Departments should: The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 3 1 (g) of the PPDA Act. 2003.	Continuous
The Contracts Committee should: The Secretary of the Contracts Committee should maintain all the records of the minutes of the Contracts Committee and a register of attendance signed by the members and the advisers in the meeting in accordance with Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Continuous
The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 5 of the PPDA (Evaluation) Regulations, 2023.	Continuous

Appendix 1: Summary case by case

No.	Subject of procurement	Findings
1.	<p>Supply of assorted electrical consumables</p> <p>Leoro-med Supply and Services Ltd</p> <p>UGX9,648,000</p>	<ul style="list-style-type: none"> • Failure to state the exact date of expiry of bid validity in the issued bidding document. Contrary to PPDA Circular No.1/2013. The bid stated a bid validity period of 60 days. • Unclear evaluation criteria. Section 2 (Eligibility Criteria) (4) required a bidder's income tax clearance certificate however this criterion was not clear to the bidders since it did not specify the period required.
2.	<p>Supply and installation of submersible pump</p> <p>Provider: Skylar Water and Energy Ltd</p> <p>UGX: 13,980,000</p>	<p>Unjustified use of direct method: The Contracts Committee on 8th November 2022 approved the direct procurement method citing "Urgent" as the justification; however, the procurement was initiated and approved on 6th September 2022; implying the Entity had enough time to shortlist capable bidders to participate in the bidding process.</p> <p>In addition, there was no:</p> <ul style="list-style-type: none"> • Record of issue of bidding document • Record of bid received • Record of bid opening <ul style="list-style-type: none"> • Passing non-compliant bidders under direct procurement. The eligibility criteria in the bidding document required bidders to attach at least two LPOs to evidence experience; however, the best evaluated bidder, Skylar Water and Energy Ltd, did not submit this evidence • The contract on file was not signed by the Accounting Officer, implying there was no binding contract between the two parties; however, the Authority found that the provider delivered the items on 14th November 2022 and was paid. • Irregular delivery of items before conclusion of evaluation, contract award by the Contracts Committee and without a signed contract by the Accounting Officer: The delivery note on file indicated that the provider delivered the items on 14th November 2022; yet • The evaluation report on file is dated 16th November 2022

		<ul style="list-style-type: none"> • The Contracts Committee minutes for award of the contract dated 17th November 2022 were only signed by the Secretary Contracts Committee. The Chairperson did not sign the minutes and there was no attendance list and signed code of ethical conduct to ascertain that there was a quorum of three CC members at time of the sitting. • The contract on file dated 18th November was not signed by the Accounting Officer •
3.	<p>Supply of assorted medical equipment spares and parts</p> <p>Lale Group Limited</p> <p>UGX 119,184,600</p>	<ul style="list-style-type: none"> • The best evaluated bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however there was no ITB 18.1 in the bid data sheet. • Lale Group Limited the best evaluated bidder submitted a forged tax clearance certificate, Certificate Reference Number: LI0222010418314 that was invalid on the URA portal (i.e does not exist) • Purchase of items not under framework arrangement for the call off order worth UGX 119,184,600 issued to Lale Group Limited • Purchase of items at varying prices from those in the bidder's offer for Call Order worth UGX 119,184,600 issued to Lale Group Limited
4.	<p>Printing services and assorted stationary</p> <p>ASSPRO Investments Limited</p> <p>UGX: 69,808,608</p>	<ul style="list-style-type: none"> • Signing contracts on expired and invalid bids. The bidder indicated that the bid shall be valid up to 28th April 2023. • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required. • Failure by ASSPRO Investments Limited to submit financial statements.
5.	<p>Supply of sundries, uniforms, curtains, protective wares, linens, mattresses mackintosh</p> <p>Nellines International Ltd</p> <p>UGX 45,014,119</p>	<ul style="list-style-type: none"> • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required.

		<ul style="list-style-type: none"> • Failure by Nellines International Ltd to submit Registered Powers Attorney. This was against ITB 22.2 that required a registered or notarized Powers of Attorney. The bidder submitted POA that was specific for supply of assorted school furniture in Amuru DLG. • Submission of an expired PPDA Certificate. Nellines International Ltd submitted the bid on 15th December 2022 yet the certificate had expired on 31st December 2020 • Nellines International Ltd submitted a bid submission sheet that was not signed. • Failure by Nellines International Ltd to indicate bid validity period. • Submission of an alternative bid submission. Failure by Nellines International Ltd to submit Registered Powers Attorney. This was against ITB 22.2 that required a registered or notarized Powers of Attorney. The bidder submitted POA that was specific for supply of assorted school furniture in Amuru DLG. • Submission of an expired PPDA Certificate. Nellines International Ltd submitted the bid on 15th December 2022 yet the certificate had expired on 31st December 2020 • Nellines International Ltd submitted a bid submission sheet that was not signed. Nellines International Ltd submitted a bid submission sheet that lacked some requirements from the issued bidding document • The bidder did not indicate bid validity period
6.	<p>Supply of non-medical sundries</p> <p>ASSPRO Investments Limited</p> <p>UGX: 69,808,608</p>	<ul style="list-style-type: none"> • Signing contracts on expired and invalid bids. The bidder indicated that the bid shall be valid up to 28th April 2023. • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required. • Failure by ASSPRO Investments Limited to submit financial statements.
7.	<p>Maintenance of motor vehicles, road equipment, plant and motorcycles</p> <p>KK Motor Garage Gulu</p>	<ul style="list-style-type: none"> • The BEB did not submit a bid submission sheet • The Powers of Attorney were not registered • The bidder did not submit CVs of key personnel as was required in the bidding document

	UGX: 39,752,288	<ul style="list-style-type: none"> Failure to prepare and issue call off orders for the following supplies that were under framework arrangement. Whereas the requisition forms were raised by the user departments and approved by the Accounting Officer for some files, there were no call off orders prepared and issued to providers yet the providers were contacted to do the works
8.	<p>Motor vehicle hire</p> <p>Patmos Phone City (SMC) Limited</p> <p>UGX:2,542,373</p>	<p>The bidder did not submit the following:</p> <ol style="list-style-type: none"> a bid securing declaration Evidence of fulfilment to pay taxes A registered Powers of Attorney Signed code of ethical conduct in business for bidders and providers Evidence of ownership and/or lease of the following proposed motor vehicles in the bid: <ol style="list-style-type: none"> Toyota Super Custom 2000 Toyota Drone 2018 Toyota Land Cruiser Toyota Hilux Double Cabin Evidence of experience in motor vehicle hire. The only experience the bidder submitted were contracts for: <ol style="list-style-type: none"> Supply and maintenance of electronics, courier services (fuel and ace one), airtime and general supplies between the bidder and ACE Energy Solutions (U) Ltd dated 12th October 2022 Supply of computers, printers, photocopying machines, extension cables, flipchart stands and any other ICT equipment that may be required between the bidder and Bomah Hotel Limited dated 27th September 2019. <ul style="list-style-type: none"> The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however there was no ITB 18.1 in the bid data sheet.
9.	<p>Supply of non-medical sundries</p> <p>Blue Son Co. Ltd</p> <p>UGX:16,536,780</p>	<ul style="list-style-type: none"> The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however there was no ITB 18.1 in the bid data sheet.. The best evaluated bidder did not submit a bid securing declaration The best evaluated bidder did not submit evidence in supply of non-medical sundries. The LPOs submitted were for:

		<ul style="list-style-type: none"> e) Twenty cartons of paper and 50 box files worth UGX 2,950,000 dated 12th Aug 2020 for Platinum Credit Ltd f) Provision of lunch for sept for 50 staff worth UGX 10,000,000 dated 20th Aug 2020 for Gallant Security g) Supply of posho, beans, soap worth UGX 3,197,800 for KK Security dated 6th Aug 2020 • Supply of posho, beans, rice, cooking oils, assorted vegetables worth UGX 4,060,000 for Kamed Security Services dated 26th Aug 2020
10.	<p>Printing</p> <p>Abedenego Investments Ltd</p> <p>UGX: 3,999,500</p>	<ul style="list-style-type: none"> • The bidder stated that the bid will be valid until the date specified in ITB Sub-Clause 18.1; however there was no ITB 18.1 in the bid data sheet • Failure to prepare and issue call off orders for the following supplies that were under framework arrangement. Whereas the requisition forms were raised by the user departments and approved by the Accounting Officer for some files, there were no call off orders prepared and issued to providers yet the providers were contacted to do the works
11.	<p>Supply of tyres and tubes to Gulu RRH</p> <p>Wamuco Motors (U) Ltd</p> <p>UGX:62,563,034</p>	<ul style="list-style-type: none"> • The best evaluated bidder submitted a bid securing declaration with a validity up to 28th May 2022 yet the bidding period was from 17th November-2022 to 15th December 2022. • The best evaluated bidder did not submit a bid securing declaration • Signing the otract on expired and invalid bids i.e all bids had expired on 28th April 2023
12.	<p>Supply of Electrical consumables</p> <p>Luwe Electrical Centre (U) Ltd</p> <p>UGX: 41,400,898</p>	<ul style="list-style-type: none"> • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required. • Failure by Luwe Electrical Centre (U) Ltd to state a bid validity: The bidder indicated that the bid was valid until the date specified in ITB 18.1. However there was no this ITB in the bid data sheet. ITB 20.1 in the bidding document indicated a bid validity period of 28th April 2023.

		<ul style="list-style-type: none"> • Failure by the bidder to submit tax clearance certificate. • Failure by Luwe Electrical Centre (U) Ltd to submit Registered Powers Attorney. This was against ITB 22.2 that required a registered or notarized Powers of Attorney • Failure to submit evidence of that it can access financial resources of at least UGX 10,000,000 from their banker. This was against the requirement the evaluation requirement in Section 3 E of evaluation.
13.	<p>Supply of Electrical consumables</p> <p>Guzi Investments Limited</p> <p>UGX: 42,900,798</p>	<ul style="list-style-type: none"> • The bidder indicated that the bid was valid until the date specified in ITB 18.1. However there was no this ITB in the bid data sheet. ITB 20.1 in the bidding document indicated a bid validity period of 28th April 2023. • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required
14.	<p>Provision of Accommodation and Conference Services in Kitgum</p> <p>Little Palace Hotel Kitgum</p> <p>UGX:29,938,553</p>	<ul style="list-style-type: none"> • The bidder indicated that the bid was valid until the date specified in ITB 18.1. However there was no this ITB in the bid data sheet. ITB 20.1 in the bidding document indicated a bid validity period of 28th April 2023. • Failure to specify the required experience. The bidding document required a relevant experience in similar services but it not clearly indicate years of experience or number of agreements or LPOs to be submitted. • Unclear evaluation criteria. Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate however this criteria was not clear to the bidders since it did not specify the period required. • • Failure by Little Palace Hotel Kitgum Limited to submit a registered Powers of Attorney. The bidder submitted POA that was not registered as it was required in the bidding document Part 1 Section 3 C of the evaluation methodology and ITB 22.2 required a duly registered/ Notarized Powers of Attorney. • ITB 21.1 stated that a bid securing declaring shall be required. The bidder submitted a bid securing declaration that was not signed by a person who had powers of attorney. Opio Robert signed the bid securing declaration instead of Okech Ben that had the powers of attorney

Appendix 2: Transaction List with Risk Rating

No	Procurement Reference No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	GRRH/SUPLS/2022/2023/00011	Supply of assorted electrical consumables	Method: Request for Quotation	Leoro-med Supply and Services Ltd	9,648,000	Medium
2.	GRRH/SUPLS/2022-2023/00012	Supply and installation of submersible pump	Direct	Provider: Skylar Water and Energy Ltd	13,980,000	High
3.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of assorted medical equipment spares and parts	Open Domestic Bidding	Lale Group Limited	119,184,600	High
4.	GRRH/SUPLS-Non-Cons/2022-23/00027	Printing services and assorted stationary	Open Domestic Bidding	ASSPRO Investments Limited	69,808,608	Medium
5.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of sundries, uniforms, curtains, protective wares, linens, mattresses mackintosh	Open Domestic Bidding	Nellines International Ltd	45,014,119	High
6.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of non-medical sundries	Open Domestic Bidding	ASSPRO Investments Limited	69,808,608	Medium
7.	GRRH/SUPLS-Non-Cons/2022-23/00027	Maintenance of motor vehicles, road equipment, plant and motorcycles	Open Domestic Bidding	KK Motor Garage Gulu	39,752,288	Medium
8.	GRRH/SUPLS-Non-Cons/2022-23/00027	Motor vehicle hire	Open Domestic Bidding	Patmos Phone City (SMC) Limited	2,542,373	High
9.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of non-medical sundries	Open Domestic Bidding	Blue Son Co. Ltd	16,536,780	Medium
10.	GRRH/SUPLS-Non-Cons/2022-23/00027	Printing	Open Domestic Bidding	Abedenego Investments Ltd	3,999,500	Medium

No	Procurement Reference No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
11.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of tyres and tubes to Gulu RRH	Open Domestic Bidding	Wamuco Motors (U) Ltd	62,563,034	Medium
12.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of Electrical consumables	Open Domestic Bidding	Luwe Electrical Centre (U) Ltd	41,400,898	Medium
13.	GRRH/SUPLS-Non-Cons/2022-23/00027	Supply of Electrical consumables	Open Domestic Bidding	Guzi Investments Limited	42,900,798	Medium
14.	GRRH/SUPLS-Non-Cons/2022-23/00027	Provision of Accommodation and Conference Services in Kitgum	Open Domestic Bidding	Little Palace Hotel Kitgum	29,938,553	Medium

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION
HIGH	Such procurements are considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by Senior Management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

Appendix 4: List of the Contracts Committee members

No	Name	Position on Contracts Committee
1.	Mr. Peter Abele	Chairperson
2.	Ms. Juliet Chebet	Member
3.	Ms. Juliet Nakabwoy	Secretary
4.	Mr. Stephen Onyolo	Member
5.	Vacant	

Appendix 5: List of Procurement and Disposal Unit staff

No	Name	Position on Contracts Committee
1.	Mr. Mercy Muyambi	Head PDU
2.	Mr. Rolnald Komakech	Acting Head PDU