



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

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

KABALE MUNICIPAL COUNCIL

FEBRUARY 2023

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ACRONYMS

BEB	Best Evaluated Bidder
CC	Contracts Committee
FY	Financial Year
GCC	General Conditions of Contract
Ltd	Limited
NITA	National Information Technology Authority
NWSC	National Water and Sewage Corporation
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SUPLS	Supplies
SVRCS	Services
UGIFT	Uganda Intergovernmental Fiscal Transfers Program
UGX	Ugandan Shillings
USMID	Uganda Support to Municipal Infrastructure Development
VAT	Valued Added Tax
WRKS	Works

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Kabale Municipal Council that covered a representative sample of nineteen (19) procurement transactions under the Financial Year 2021/22.

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

From the findings of the procurement audit exercise, the performance of Kabale Municipal Council for the Financial Year 2021/22 was **satisfactory** with an overall weighted average risk rating of **20.2%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

Despite the satisfactory performance, the following exceptions were noted:

1. The Entity owned several pieces of land in the Town which were not titled. There is a risk of squatters settling on such government land leading to land wrangles and litigation.
2. There was low budget absorption where the Entity failed to implement 81% of its planned procurement transaction. This might be attributed to the USMID projects whose performance was seen to be slow/delayed.
3. There was low bidder participation where 30% of the sampled procurements either had a sole or two (2) bidders responding to bid invitations. Low bidder participation affects competition, hence value for money.
4. There was irregular evaluation of bids in two (2) procurement transactions worth UGX 314,077,900. Such irregularities may lead to hiring of providers without sufficient capacity, hence shoddy works or delayed implementation of contracts.
5. It was further noted that two (02) procurement transactions worth UGX 69,722,059 were delayed which affected service delivery to the intended providers.
6. The Entity was not keen on environmental, social, health and safety requirements during the construction of a water-borne toilet at Ndorwa Primary School worth UGX 42,114,200.

The Authority recommends that:

1. The Accounting Officer should secure all Council land by processing land titles.
2. The Accounting Officer should regularly review the implementation of the procurement plan and update the procurement plan following Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.
3. The Accounting Officer should organize a bidder conference to attract new bidders to the Municipality and provide reassurance to existing bidders that procurement processes are fair, transparent, and competitive manner.
4. The Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the criteria set out in the solicitation document following Regulation 48 (4) of the Local Governments (PPDA) Regulations 2006.
5. Contract supervisors should supervise providers to perform their contractual obligations following the terms and conditions specified in the contract following Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.
6. Contract supervisors should ensure compliance with environmental, social, health and safety requirements for all projects.

Kabale Municipal Council should implement the recommended action plan on **Page 13**.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

Section 26 (1) of the PPDA Act, 2003 gives the Accounting Officer the overall responsibility for the successful execution of the procurement and disposal process in the Procuring and Disposing Entity. Section 26 (1) (a) and (c) specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level.

The Entity had a substantive Accounting Officer, a Procurement and Disposal Unit, and a Contracts Committee. Adhoc Evaluation Committees were appointed for each procurement transaction.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Kabale Municipal Council that covered a representative sample of nineteen (19) procurement transactions under the Financial Year 2021/22. The audit involved a review of the procurement structures, procurement, and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.3 Main Audit Objectives

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

The specific objectives were to:

- i. Establish the level of compliance by the Entity with the general provisions of the PPDA Act 2003 and Regulations 2006;
- ii. Establish the level of compliance of procurement and disposal processes with the PPDA Act, 2003 and Regulations 2006; and
- iii. Assess the level of efficiency and effectiveness in contract implementation.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues, and contract implementation on a sample basis. The audit covered a representative sample of nineteen (19) procurement transactions under the Financial Year 2021/22. The list of sampled transactions is contained in **Annex B**. The distribution of the transaction population and sample are in Table 1 below:

Table 1: Analysis of Population and Sample Selected for audit of FY 2021/22

No	POPULATION			SAMPLE		PERCENTAGE	
	Procurement method	Value (UGX)	No	Value (UGX)	No	Value	No
1.	Open Bidding	317,502,640	6	317,502,640	6	100%	100%
2.	Selective Bidding	493,638,803	5	493,638,803	5	100%	100%
3.	Direct procurement	1,110,833,189	8	820,387,459	5	74%	63%
4.	Force Account	361,511,129	37	73,196,000	3	20%	8%
5.	Micro procurements	82,516,427	197	-	-	-	-
TOTAL		2,366,002,188	253	1,704,724,902	19	72%	8%

1.5 Audit Methodology

An entry meeting was held on **24th October 2022**. At the meeting, the objectives of the audit were discussed as well as the timelines, roles, and responsibilities. The Entity's management was requested to avail the required records in time for the audit, to which they agreed to give the necessary assistance to the auditors.

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

At the end of the field data collection, a debriefing meeting was held with the Entity management and staff to clear all pending issues that arose during the audit before the auditors embarked on the preparation of the management letter. A management letter was sent to the Entity on **6th December 2022** with a request to submit a management response by **24th January 2023**. The exit meeting was held on **24th January 2023** at the PPDA head office premises in Kampala.

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

CHAPTER 2: AUDIT FINDINGS, IMPLICATIONS, AND RECOMMENDATIONS

2.1 To establish the level of compliance of the Entity with the general provisions under the PPDA Act, 2003, and Local Governments (PPDA) Regulations, 2006

The following areas of non-conformity were observed.

2.1.1 Assets Management

The audit revealed the following exceptions;

a) Titling of land

The board of survey report for the Financial Year 2021/2022 revealed that Kabale Municipal Council owned various plots of land that have no titles. These include;

Table 2: Untitled land

S/N	Land Location	Issue observed
1.	Kamukira Health Center IV	Untitled land
2.	2 plots along Bitete	Untitled land
3.	10 plots Along Babukiika	Untitled land
4.	Plot 26-38 Bwankosya Road	Untitled land
5.	Plot 44-60 Bwankosya Road	Untitled land
6.	Plot 53-69 Bwankosya Road	Untitled land
7.	Plot 2-12 Bitura Road	Untitled land
8.	Kabale Municipal Council parking yard plot 1-15 Mukombe	Untitled land
9.	Proposed Abbatoir on Plot 6	Untitled land
10.	Nyamabare Kasekyero Green Belt	Untitled land
11.	Kakabano commercial land	Untitled land
12.	Bugongi Market in Northern Division	Untitled land
13.	Plot M442	Untitled land
14.	Plot 482 Pida & Bijjanjara	Untitled land
15.	Plot 18 Bitete	Untitled land
16.	Rutooma Health Center II	Untitled land
17.	Butare Land	Untitled land
18.	Kirengyere dumping site	Untitled land
19.	Kabale Parents School land at Kigongi	Untitled land
20.	Kabale Parents School land at Rubira	Untitled land

Implications

The Council's land is susceptible to grabbing and theft.

Recommendation

The Accounting Officer should ensure that land titles are processed for all untitled Council land.

Management Response

Kabale Municipal Council is working hard to have all council land titled as per land inventory attached for your verification. In addition, we have a budget for titling of land as per the work plan attached.

2.1.2 Failure to implement 81% of the procurement plan

A review of the quarterly reports submitted revealed that the Entity had only implemented 19% of its procurement plan for the financial year 2021/2022 as of 30th June 2022, as detailed in the table below:

Table 3: Analysis of procurement plan performance

Total procurement plan value inclusive VAT (UGX)	12,373,118,003
Total procurement spend value inclusive VAT (UGX)	2,366,002,188
Procurement Plan Implementation Rate	19%
Procurement Plan Implementation Variance (UGX)	10,007,115,815

Implications

- The entity runs a risk of budgetary cuts due to non-performance hence failure in the entity's mission.
- Furthermore, this is an indicator of a lack of capacity & competence to utilize the funds allocated.

Recommendation

The Accounting Officer should regularly review the implementation of the procurement plan and update the procurement plan following Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

Management Response

The variance in the procurement plan was caused by the unspent funds that were meant for the rehabilitation of Kigezi College Butobere under UGIFT worth UGX 1,163,014,383 and the balance on rehabilitation of USMID Roads worth UGX 3,852,620,232.

2.2 Level of compliance of procurement and disposal processes with the PPDA Act, 2003, and Local Government Regulations 2006

The audit revealed the following exceptions:-

2.2.1 Low bidder Participation

The Authority observed that there was low bidder participation within the sampled procurement transactions conducted by the Entity. 30% of the sampled procurements either had a sole or two (2) bidders responding to bid invitations which were too low. These cases include;

Table 4: Low Bidder Participation

No.	Subject	Amount	Number of bidders invited	Number of bids received
1.	Relocation of UMEME utility lines along Bushekwire, Bwankosya, and Rushoroza roads	340,089,000	3	1
2.	Renovation of theatre at Kamukira Health Centre IV	97,961,240	3	1
3.	Relocation of service utilities of NITA U along Bushekwire, Bwankosya, and Rushoroza roads	52,334,759	1	1

No.	Subject	Amount	Number of bidders invited	Number of bids received
4.	Consultancy services to prepare a detailed physical plan for Rushaki ward – Southern Division	74,580,000	Open to all	1
5.	Supply of desks under SFG	28,886,400	3	1
6.	Supply of 4 laptops, one desktop, and a printer	17,387,300	3	1

The auditors attributed this low bidder participation to a lack of evidence of receipt of the invitation letters by shortlisted firms.

Implications

- There is a potential risk that bidders are colluding at the time of bidding.
- Loss of confidence by bidders in the procurement processes of the Entity.

Recommendation

The Accounting Officer should organize a bidder conference to attract new bidders to the City and provide reassurance to existing bidders that procurement processes are fair, transparent, and competitive manner.

Management response

The entity has continued to face the same challenge of low bidder participation especially when open bidding is used. However, with the selective bidding method we attract as many as possible. However, we shall organize a bidder's conference as per the auditor's recommendation to attract more bidders.

2.2.2 Irregular evaluation of submitted bids

The audit revealed irregular evaluation of bids in two (2) procurement transactions worth UGX 314,077,900 contrary to Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006 as detailed in the table below: -

Table 5: Procurements with irregularities during their evaluation

No	Subject of procurement	Amount UGX	PPDA Finding
1.	Relocation of NWSC utility lines along Bushekwire, Bwankosya, and Rushoroza roads	271,963,700	<ul style="list-style-type: none"> • Although firms were required to submit current income tax clearance certificates, Milestone Technical Services Ltd submitted an expired Tax Clearance certificate issued on 23rd July 2020 for the tax period 1st July 2020 to 30th June 2021 but still passed the preliminary evaluation stage. • Milestone Technical Services Ltd bid had no bid submission sheet and did not state the bid validity period but still was assessed as compliant
2.	Construction of water-	42,114,200	<ul style="list-style-type: none"> • Passing a non-compliant bidder. The EBA Business solutions and Finance

No	Subject of procurement	Amount UGX	PPDA Finding
	borne toilet at Ndorwa Primary School		<p>Co. Ltd should have been eliminated at the technical evaluation stage for offering a bid validity of 56 days instead of the required 90 days.</p> <ul style="list-style-type: none"> • There is no evidence on file that a technical evaluation was conducted. The evaluation report only indicates that preliminary and financial evaluation was done. The evaluation assessment forms indicate that preliminary, commercial, and financial evaluation was done but not technical. • Failure to handle arithmetic corrections. The Evaluation Committee did not make arithmetic corrections in the EBA Business Solutions and Finance Co. Ltd's bid amounting to UGX. 8,590,400. The evaluated price for EBA Business Solutions and Finance Co. Ltd should have been UGX. 50,704,600 instead of UGX. 42,114,200. Under brick walling item No. C had a unit quantity of 60 units at a rate of UGX. 120,000 and so the total cost should have been UGX. 7,200,000 instead of UGX. 720,000 as indicated in the BOQs. EBA Business Solutions and Finance Co. Ltd's bid price would have been UGX. 50,704,600 and hence not the BEB. Extech Technical Services quoted UGX. 49,636,346 should have been the BEB.
Total		314,077,900	

Implication

Unfairness during evaluation leads to contract awards to non-compliant bids and compromises on the benefits of maximum competition.

Recommendations

The Head, of the Procurement and Disposal Unit, should ensure that the Evaluation Committee members strictly adhere to the criteria set out in the solicitation document following Regulation 48 (4) of the Local Governments (PPDA) Regulations 2006.

Management Response

We have noted the auditor's observation and we pledge to improve.

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

The audit revealed the following exceptions:

2.3.1 Delayed completion of contracts

The audit revealed that there was delayed completion of works and delivery of goods in two (02) procurement transactions worth UGX 69,722,059 contrary to Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006. These cases include;

Table 6: Procurements with delayed completion

No	Subject of Procurement	Amount (UGX)	Findings
1.	Supply of 4 laptops, one desktop, and a printer	17,387,300	Whereas the contract was signed on 1 st April 2022 with a delivery period of 7 days from the date of the purchase order (GCC 12.1), the supplier delivered on 15 th June 2022 over 61 days past the contractual completion date of 8 th April 2022.
2.	Relocation of service utilities of NITA U along Bushekwire, Bwankosya, and Rushoroza roads	52,334,759	Solton Telmec (U) Limited submitted its NCBA advance payment security on 29 th August 2022. the security was verified as authentic by the bank on 6 th September 2022. There was no evidence of paying advance to the contractor. Therefore, the contract was not effective as the advance was not yet paid
Total		69,722,059	

Implication

There is a risk that more resources were committed to the project than had been anticipated in terms of staff and time by the Entity to projects that ought to have been completed.

Recommendation

Contract supervisors should supervise providers to perform their contractual obligations following the terms and conditions specified in the contract following Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.

Management Response

- There was a delay by the contractor to make the supply though he informed the entity about the challenges that he was facing.
- Soliton Telmec (U) Limited submitted advance security but didn't requisition the funds in addition to frequent reminders.

2.3.2 Implementation of environmental, social, and health safety requirements

Physical verification revealed that Environmental social, and health safety requirements were ignored during construction. In the construction of a water-borne toilet at Ndorwa Primary School worth UGX 42,114,200 the Authority noted that workers on site did not have protective gear including helmets, gloves, or gumboots. Furthermore, the site was not separated from the rest of the school activities and so school-going children were at risk of accidents as observed in the images contained in the contract management reports.

Implication

Environmental degradation is possible on the above sites.

Recommendation

Contract supervisors should ensure compliance with environmental social, and health safety requirements for all projects.

Management Response

Kabale Municipal Council shall always compel the contractors to always provide protective gear.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Kabale Municipal Council for the Financial Year 2021/22 was **satisfactory** with an overall weighted average risk rating of **20.2%**. The risk rating is as follows;

Table 7: Risk Rating

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 2: Summary of performance of Kabale Municipal Council

Risk category	No.	No. %	Value	Value %	Weights	Total weighted Average	
						By No.	By Value
High	-	-	-	-	0.6	-	-
Medium	4	21	383,799,959	23	0.3	6.3	6.9
Low	11	58	894,927,643	52	0.1	5.8	5.2
Satisfactory	4	21	425,997,300	25	0	-	-
Total	19	100	1,704,724,902	100	1	12.1	12.1

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{12.1}{60} \times 100 = 20.2\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{12.1}{60} \times 100 = 20.2\%$$

$$\text{Combined Weighted Average} = \frac{20.2 + 20.2}{2} = 20.2\%$$

Figure 1: Risk Rating by Number

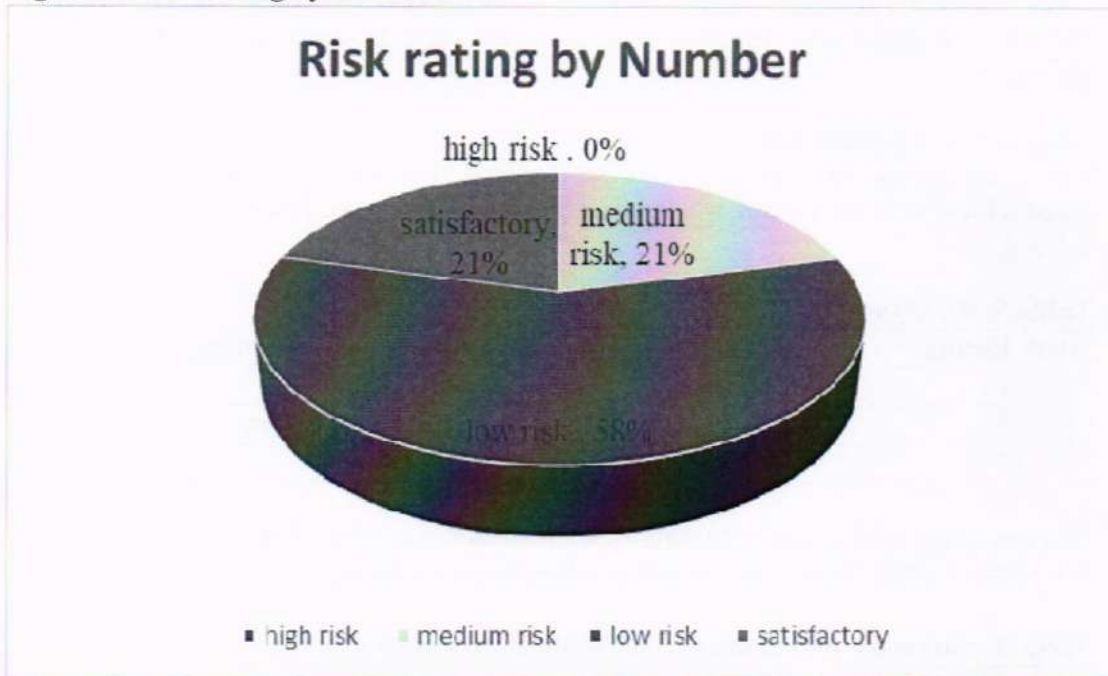
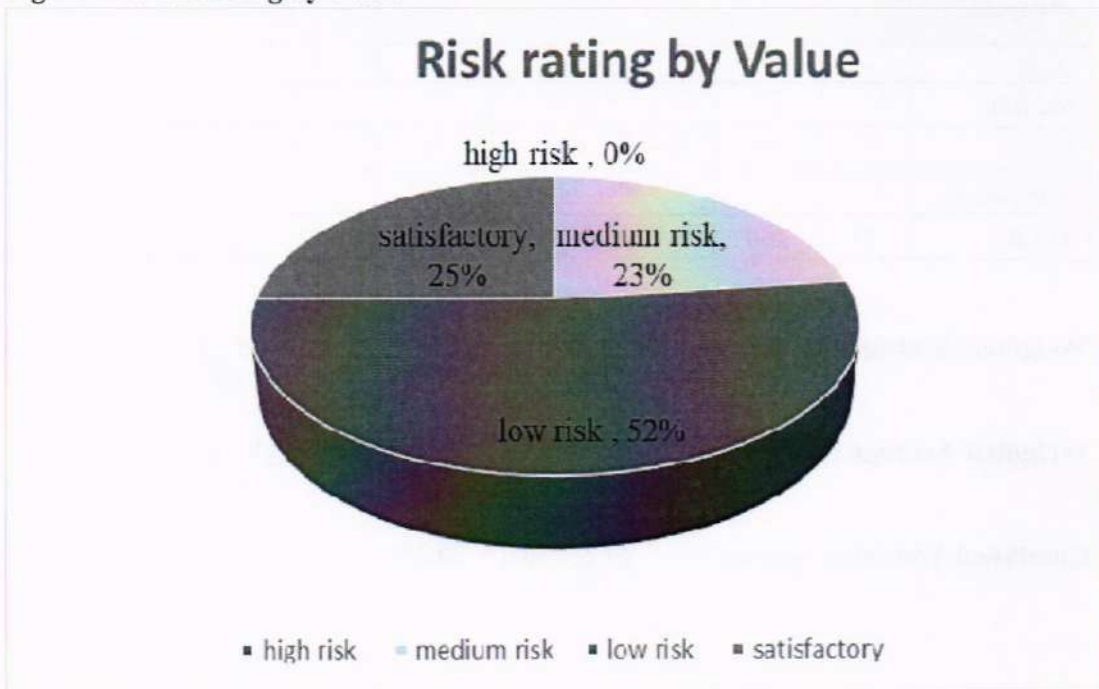


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

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

Table 9: Recommended Action Plan

No.	Recommendation	Action Party	Action Date
1.	The Accounting Officer should ensure that land titles are processed for all untitled Council land.	Accounting Officer	June 2023
2.	The Accounting Officer should regularly review the implementation of the procurement plan and update the procurement plan following Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.		
3.	The Accounting Officer should organize a bidder conference to attract new bidders to the City and provide reassurance to existing bidders that procurement processes are fair, transparent, and competitive manner.		
4.	The Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the criteria set out in the solicitation document following Regulation 48 (4) of the Local Governments (PPDA) Regulations 2006.	Procurement and Disposal Unit	June 2023
5.	Contract supervisors should supervise providers to perform their contractual obligations following the terms and conditions specified in the contract in following Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.	User departments	June 2023
6.	Contract supervisors should ensure compliance with environmental, social, and health safety requirements for all projects.		

Annex A: Medium-risk rated individual contracts reviewed

No	Subject of Procurement	Reasons for the Medium-risk rating
1.	Relocation of service utilities of NITA U along Bushekwire, Bwankosya, and Rushoroza roads worth UGX 52,334,759	Delayed completion of works
2.	Supply of laptops, desktops, and printers for Environment, Finance, Health & Planning Units worth UGX 17,387,300	Delayed delivery of goods
3.	Construction of a waterborne toilet at Ndorwa Primary School worth UGX 42,114,200	Ignoring Environmental social, and health safety requirements Irregular evaluation of bids
4.	Relocation of NWSC utility lines along Bushekwire, Bwankosya, and Rushoroza roads worth UGX 271,963,700	Irregular evaluation of bids

Annex B: Transaction list and rating per case

No	Procurement reference number	Subject of Procurement	Provider	Method of Procurement	Amount	Risk rating
1.	KABA/757/WRKS/2021-22/00013	Renovation of Kitumba, Butobere, and Kijuguta Primary schools	Famdec Technical Services	Selective Bidding	41,984,754	Low risk
2.	KABA/757/WRKS/2021-22/00012	Construction of a waterborne toilet at Ndorwa Primary School	Eba Business Solutions and Finance Company Ltd	Open Domestic Bidding	42,114,200	Medium Risk
3.	KABA/757/WRKS/2021-22/00015	Relocation of NWSC utility lines along Bushekwire, Bwankosya, and Rushoroza roads	Milestone Technical Services	Direct Procurement	271,963,700	Medium Risk
4.	KABA/757/WRKS/2021-22/00016	Relocation of UMEME utility lines along Bushekwire, Bwankosya, and Rushoroza roads	Kirchofs Technicians Limited	Direct Procurement	340,089,000	Satisfactory
5.	KABA/757/SUPLS/2021-22/00002	Supply of laptops, desktops, and printers for Environment, Finance, Health & Planning Units	Geses (U) Ltd	Selective Bidding	17,387,300	Medium risk
6.	KABA/757/WRKS/2021-22/00018	Completion of doctor's house at Kamukira Health Centre IV	Vidas Engineering Services Company Limited	Selective Bidding	400,819,249	Low risk
7.	KABA/757/SUPLS/2021-22/00003	Supply of furniture for Kitumba, Butobere, and Kijuguta Primary schools	Twesigwomwe Christopher	Open Domestic Bidding	28,886,400	Low risk
8.	KABA/757/SUPLS/2021-	Supply of cabinets,	Footsteps	Open Domestic	41,100,000	Satisfactory

No	Procurement reference number	Subject of Procurement	Provider	Method of Procurement	Amount	Risk rating
	22/00005	shredders, chairs, desks, and bookshelves	Company Limited	Bidding		
9.	KABA/757/WRKS/2021-22/00020	Renovation of theatre at Kamukira Health Centre IV	Vidas Engineering Services Company Limited	Open Domestic Bidding	97,961,240	Low risk
10.	KABA/757/SUPLS/2021-22/00006	Supply of Gilts	Busingye Dork Enterprises	Selective Bidding	11,947,500	Satisfactory
11.	KABA/757/SUPLS/2021-22/00004	Supply of tricycles for solid waste collection	Sigi-Riza Company Limited	Open Domestic Bidding	32,860,800	Satisfactory
12.	KABA/757/WRKS/2021-22/00037	Routine Mechanized maintenance of Rushaki road	City Engineer	Force Account	28,303,000	Low risk
13.	KABA/757/WRKS/2021-22/00030	Installation of concrete culverts on Nyabikoni and Kiyora roads	City Engineer	Force Account	12,162,000	Low risk
14.	KABA/757/WRKS/2021-22/00033	Installation of concrete culverts on Mukombe Rd, Rwomukubwe Rd, Rutooma Rd, Suruma Rd, Sebugunzu-Bujanjara Rd, and Ruyendeira Rd	City Engineer	Force Account	32,731,000	Low risk
15.	KABA/757/WRKS/2021-22/00017	Relocation of service utilities of NITA U along Bushekwire, Bwankosya, and Rushoroza roads	Solton Telmec (U) Limited	Direct Procurement	52,334,759	Medium risk

No	Procurement reference number	Subject of Procurement	Provider	Method of Procurement	Amount	Risk rating
16.	KABA/757/SRVCS/2021-22/00001	Consultancy services to prepare a detailed physical plan for Rushaki ward – Southern Division	Praid East Africa Limited	Open bidding	74,580,000	Low risk
17.	KABA/757/SRVCS/2021-22/00008	Collection of loading and offloading fees	Tinyinondi Justus	Contract Extension	60,000,000	Low risk
18.	KABA/757/SRVCS/2021-22/00002	Collection of revenue on behalf of the council from all municipal council markets	Tinyinondi Justus	Contract Extension	96,000,000	Low risk
19.	KABA/757/WRKS/2021-22/00014	Fencing Northern Division Offices	San Diego Tour & Travels	Selective Bidding	21,500,000	Low risk
Total					1,704,724,902	

Annex C: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
<p>HIGH</p>	<p>Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p>Planning: Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and the use of the direct procurement method which affects competition and value for money.</p>
		<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.</p>	<p>This implies the use of less competitive methods which affects transparency, accountability, and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct the evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies a lack of transparency and value for money.</p>
		<p>Contract Management: Payment for shoddy work or work not delivered.</p>	<p>This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries</p>
<p>MEDIUM</p>	<p>Procurements that were</p>	<p>Planning: Lack of initiation</p>	<p>This implies committing the Entity</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls are put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.</p>	<p>of procurements and confirmation of funds.</p>	<p>without funds thereby causing domestic arrears.</p>
<p>Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.</p>		<p>This implies a lack of efficiency, standardization, and avoiding competition.</p>	
<p>Procurement Structures: Lack of procurement structures</p>		<p>This implies a lack of independence of functions and powers and interference in the procurement process.</p>	
<p>Record Keeping: Missing Contracts Committee records and incomplete contract management records.</p>		<p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</p>	
<p>Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.</p>		<p>This leads to unjustified contract amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.</p>	
<p>Failure by the Entity to incorporate in the solicitation</p>			

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>document aspects of gender, social inclusion, environment, health, and safety.</p> <p>Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.</p>	
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 practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to monitor compliance with detailed procedures.	<p>Planning: Lack of procurement reference numbers.</p> <p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p> <p>This leads to a failure to declare a conflict of interest and a lack of transparency.</p>
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		

Annex D: Physical Verification

Contract value (UGX):17,387,300

Contract:Supply of laptops, desktops, and printers for Environment, Finance, Health & Planning Unit

Provider: Geses (U) Ltd

Status of Works: The supplies were delivered.



Contract value (UGX): 41,100,000

Contract: Supply of cabinets, shredders, chairs, desks and book shelves

Provider: Footsteps Company Ltd

Status of Works: The supplies were delivered.





UGX:32,860,800

Contract:Supply of tricycles for solid waste collection

Provider: Sigi-Riza Company Limited

Status of Works: The supplies were delivered.



UGX:41,984,754

Contract:Renovation of Kitumba, Butobere, and Kijuguta Primary schools

Provider: Famdec Technical Services

Status of Works: The works were completed.



UGX:28,886,400

Contract:Supply of furniture for Kitumba, Butobere, and Kijuguta Primary schools

Provider: Twesigwomwe Christopher

Status of Works: The items were delivered.



UGX:21,500,000

Contract:Fencing Northern Division Offices

Provider: San Diego Tour & Travels

Status of Works: The works were completed.

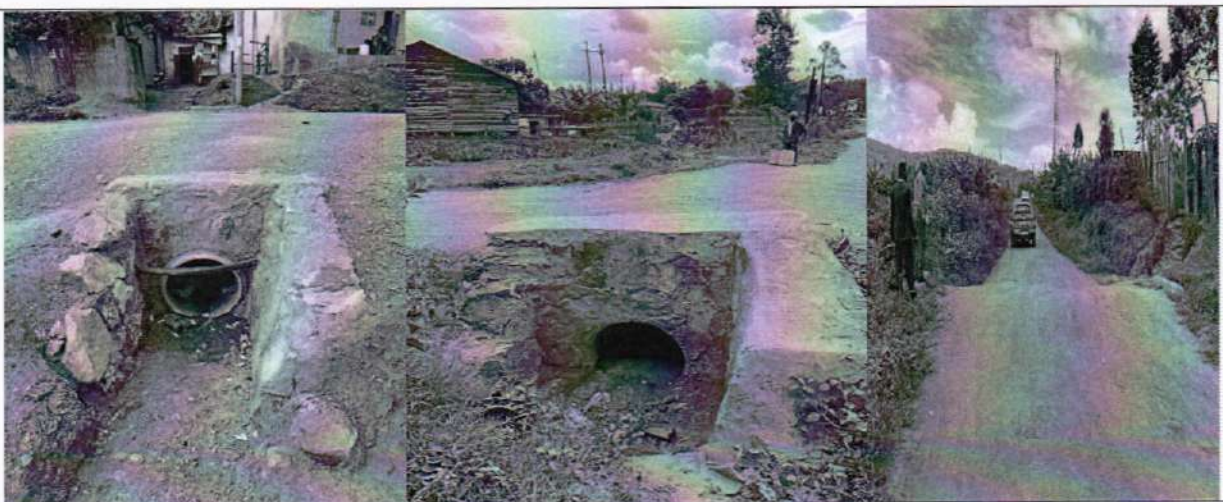


UGX:12,162,000

Contract:Installation of concrete culverts on Nyabikoni and Kiyora roads

Provider: City Engineer

Status of Works: The works were completed.



UGX:400,819,249

Contract:Completion of doctor's house at Kamukira Health Centre IV

Provider: Vidas Engineering Services Company Limited

Status of Works: The works are ongoing.



UGX:97,961,240

Contract:Renovation of theatre at Kamukira Health Centre IV

Provider: Vidas Engineering Services Company Limited

Status of Works: The works were completed.





Contract value (UGX):42,114,200

Contract: Construction of a waterborne toilet at Ndorwa Primary School

Provider: Eba Business Solutions and Finance Company Ltd

Status of Works: The works were completed



