



**PERFORMANCE AUDIT REPORT FOR FINANCIAL YEAR 2021/2022**

**KALIRO DISTRICT LOCAL GOVERNMENT**

**JANUARY, 2024**

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## ACRONYMS

Act	Public Procurement and Disposal of Public Assets Act, 2003
CC	Contracts Committee
FY	Financial Year
GCC	General Condition of Contract
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit of the procurement and disposal activities of Kaliro District Local Government that covered a sample of 22 procurement transactions for Financial Year 2021/2022. The overall objective of the performance audit was to assess and establish the degree of compliance of Kaliro District Local Government's procurement and disposal systems 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 period.

From the findings of the performance audit exercise, the performance of Kaliro District Local Government for the Financial Year 2021/2022 was **Moderately Satisfactory** with overall weighted average risk rating of **64.3%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

**Despite the moderately Satisfactory performance, the following key exceptions were noted:**

1. Failure to induct Contracts Committee members on their roles and responsibilities which compromised their efficiency and effectiveness in execution of their roles.
2. Failure to Implement previous audit recommendations implying that there is no willingness within the Entity to improve the performance of the procurement and disposal function.
3. Procurements worth UGX 450,437,523 were conducted outside the approved procurement plan.
4. Failure to complete the funds availability section by User Departments which exposed the Entity to a risk of conducting procurements for which funds are not available.
5. Retrospective initiation and approval of Procurements worth UGX 208,180,000 which hindered transparency and fairness in the procurements process.
6. Issuance of poorly drafted solicitation documents with inadequate requirements which exposed the district to the risk of receipt of non-responsive bids and also procurement of items which do not meet the users' requirements.
7. Irregularities during evaluation of bids which exposed the district to the risk of award of contracts to incompetent and non-compliant bidders.
8. Failure to conduct due diligence on information submitted by bidders.
9. Delayed signing of contracts worth UGX 276,230,000 which undermined the principle of efficiency and delays service delivery.
10. Signing contracts above the estimated cost without confirmation of additional funding which exposed the district to the risk of accumulation of domestic arrears.

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

1. The Accounting Officer should;
  - i) Engage the Authority to induct the Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function.
  - ii) Ensure that no procurement transactions are conducted outside the approved consolidated procurement plan.
  - iii) Organize a training and capacity building sessions of key technical staff involved in evaluation of bids.

- iv) Always confirm availability of additional funding in accordance with Regulation 86 (2) (e) of the Local Governments (PPDA) Regulations, 2006.
  - v) Institute a mechanism to track the contract validity period to ensure that only valid contracts are executed.
  - vi) Ensure that projects are executed and completed in a timely manner to serve the intended purpose.
2. The Contracts Committee should scrutinize bidding documents for completeness, correctness, clarity and accuracy before approval.
3. The Head of PDU should;
    - i) Prepare quality solicitation documents in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.
    - ii) Guide Evaluation Committees in conducting detailed evaluation in accordance with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.
    - iii) Ensure that bid validity periods are sufficient to cater for the duration of procurement processes. In the event that bids are due to expire, bidders should be requested to extend their bid validity.
    - iv) Liaise with the user departments to ensure that adequate contract management records are maintained on procurement action files in accordance with Regulation 46 (3) (e) of the Local Governments (PPDA) Regulations, 2006.
4. Evaluation Committees should;
    - i) Always request for clarification in writing from the affected bidders in case of correction of arithmetic errors in accordance with Regulation 74(3) and (4) of the Local Governments (PPDA) Regulations, 2006.
    - ii) Conduct due diligence during evaluation of bids to ensure authenticity of all information provided by bidders.
5. Contract Supervisor should closely monitor contract durations and performance securities and immediately recommend for extensions in case of contracts that cannot be completed within the agreed initial period.
  6. Heads of User Departments should Always ensure that Contract Supervisors prepare contract implementation plans.

Kaliro District Local Government should implement the recommended action plan on pages **33** and **34** of this report.

## CHAPTER 1: INTRODUCTION

### 1.1. Structure of the Entity

According to Section 26 of the PPDA Act, 2003, the overall responsibility for the successful execution of procurement, disposal and contract management in Kaliro District Local Government lies with the Chief Administrative Officer. During the Financial Year under review, Mr. Mulondo Robert was designated as the Accounting Officer of the Entity up to September, 2021 and Mr. Bigirwa Kalisa Samuel was the second Accounting Officer, effective October, 2021.

### 1.2. Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit on the procurement and disposal activities of Kaliro District Local Government that covered a sample of 22 procurement transactions under Financial Year 2021/22. The audit involved a review of procurement and disposal structures, systems and 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 performance audit was to assess and establish the degree of compliance of Kaliro District Local Government's procurement and disposal system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

The specific objectives were to:

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

### 1.4. Scope of the 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 22 procurement transactions worth UGX 4,668,325,346 conducted during the FY 2021/2022, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2**.

### 1.5. Audit Methodology

A sample of 22 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes and quarterly procurement and disposal reports.

Under supervision of the Regional Manager – Central Region, two senior auditors examined records and documents for each sampled procurement transaction 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, physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the

Entity and internal controls due to repeated failures by the Entity as highlighted in previous audit reports. During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place. A debrief meeting to discuss preliminary findings was held with the Entity management and staff on **27<sup>th</sup> June, 2023** before the performance audit team could embark on preparation of the management letter. The management letter was sent to the Entity on **2<sup>nd</sup> October, 2023** with a request to submit a management response by **13<sup>th</sup> October 2023** which was submitted on **31<sup>st</sup> October, 2023**. An exit meeting was held on **Thursday 2<sup>nd</sup> November, 2023** to discuss management responses.

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

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

### 2.1 LEVEL OF COMPLIANCE WITH THE GENERAL PROVISIONS UNDER THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

#### 2.1.1 Composition of the Contracts Committee

The PS/ST of Ministry of Finance, Planning & Economic Development approved the members of the Contracts Committee indicated in table 1 below who also acted during the period under review;

**Table 1: Contracts Committee Members**

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. David Edhaya	Senior Civil Engineer	Chairperson	3 <sup>rd</sup> August 2021
2.	Ms. Harriet Catherine Ajilong	Assistant Town Clerk	Member	3 <sup>rd</sup> August 2021
3.	Mr. Samuel Sajja	Principal Agriculture Officer	Member	25 <sup>th</sup> May 2023
4.	Mr. Paul Muwereza	District Inspector	Member	25 <sup>th</sup> November 2022
5.	Ms. Lydia Mpanja	Senior Assistant Secretary	Member	3 <sup>rd</sup> August 2021

The Authority however noted that the Contracts Committee members were not inducted into their roles and responsibilities.

#### **Implication:**

Failure to induct Contracts Committee members on their roles and responsibilities compromises their efficiency and effectiveness while executing their roles.

#### **Management response:**

Management did not provide a response to the issue raised.

#### **Recommendation:**

The Accounting Officer should engage the Authority to induct the Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function.

#### 2.1.2 Procurement plan management

A review of the quarterly procurement reports submitted to the Authority revealed that six procurement transactions conducted worth UGX 450,437,523 were outside the approved consolidated procurement plan for FY2021/22 contrary to Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006 as indicated in Table 2 below.

**Table 2: Procurements conducted outside the approved procurement plan**

No	Subject of procurement	Amount (UGX)
1.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2021-22/00066)	99,980,000
2.	Maintenance and Repair of Vehicle (Isuzu Demax LG0012 and Mitshubishi UG3071R) (KALI561/WRKS/21-22/00075)	83,307,823
3.	Installation of Lightening Arrestors on 7- SFG Schools in the District (KALI561/WRKS/20-21/00036)	24,500,700
4.	Supply of Borehole Spare parts to the District (KALI561/SUPLS/21-22/00014)	173,119,000
5.	Renovation of 06 Rooms at Gadumire S/C offices (KALI561/SUPLS/21-22/00046)	9,500,000
6.	Construction of a-2 classroom block with office and store at Kibanda P/S (KALI561/WRKS/21-22/00051)	60,030,000
<b>Total</b>		<b>450,437,523</b>

**Implication**

Procurements outside the procurement plan exposes the district to a risk of accumulation of domestic arrears.

**Management Response**

The Entity received a supplementary budget almost at the end of the financial year.

**Recommendation**

The Authority noted the response, however, the evidence of the supplementary budget was not provided for verification and the procurement plan was not reviewed/updated to include these procurements.

The Accounting Officer should always update the procurement plan where necessary in line with Section 58 (4) of the PPDA Act, 2003.

## **2.2 LEVEL OF COMPLIANCE WITH THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006 IN THE CONDUCT OF PROCUREMENT AND DISPOSAL ACTIVITIES**

### **2.2.1 Failure to complete the funds availability section by User Departments**

Regulation 65 (1) (c) of the Local Governments (PPDA) Regulations, 2006 states that Procurement requirements shall be documented using a requisition form that shall include confirmation of availability of funding.

The Authority found that in all the 22 procurement transactions reviewed worth UGX 4,668,325,346, User Departments left the funds availability section of the LG PP Form 1 indicating the actual remaining balance of funding blank.

### Implication

Failure to confirm availability of funds exposes the Entity to a risk of conducting a procurement transaction for which funds are not available and may affect the Entity's ability to prioritize in the event the budget balance is found to be low.

### Management Response

Management acknowledged the issue raised and promised to comply in subsequent procurements.

### Recommendation

The User Department should always fill the funds availability section of LG PP Form 1 based on their budget allocation prior to confirmation of funding by the Accounting Officer.

### 2.2.2 Retrospective initiation and approval of Procurements

A review of two procurements worth UGX 208,180,000 revealed that the Accounting Officer retrospectively approved the procurement after the Contract's Committee approvals such as approval of solicitation documents, procurement method and Evaluation Committee and in one instance, after CC award of contract as indicated in table3below.

**Table3: Procurements with retrospective approval**

S/N	Subject of Procurement	Amount (UGX)	Procurement approval by AO date	Date of CC approval of method, solicitation document	Date of CC award of Contract	Findings by the Authority.
1	Construction of a Staff house at Nawampiti Health Centre II	148,180,000	13 <sup>th</sup> January 2022	6 <sup>th</sup> January 2022	1 <sup>st</sup> March, 2022	CC approved the procurement method, solicitation document and Evaluation report before the procurement was approved by the Accounting Officer.
2	Completion of a three-classroom block at Nantamali primary school in Nansolo S/C	60,000,000	6 <sup>th</sup> August 2021	5 <sup>th</sup> July 2021	7 <sup>th</sup> July 2021	The CC awarded the Contract before approval of procurement method by the AO.
	<b>Total</b>	<b>208,180,000</b>				

This was attributed to the weaknesses in the Contracts Committee that rubber stamps requests from the PDU without confirming that all prior processes have been complied with.

### **Implication**

This hindered transparency and fairness in the procurements process and exposed the district to the risk of fraud.

### **Management Response**

Management acknowledged that there was some mismatch in the dates of approval of procurement method and those on Form 1 and promised to improve in future procurements.

### **Recommendation**

The Contracts Committee should always ensure that all prior processes have been undertaken before approving the procurement method, solicitation documents, evaluation committees and awarding contracts.

### **2.2.3 Weaknesses in drafting bidding documents issued to bidders.**

The Authority reviewed solicitation documents provided and observed that solicitation documents for five procurement transactions worth UGX 495,385,550 were poorly drafted. The documents had brand names, restrictive evaluation criteria, inconsistent contractual terms and conditions among others contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006. Details are indicated in table 4 below.

**Table 4: Procurements in which solicitation documents were poorly drafted**

No	Subject of Procurement	Amount	Findings
1.	Construction of a classroom block with an office and store at Kibanda Primary School in Gadumire Sub-County (Kali561/Wrks/2021-22/00051) worth	60,030,000	<ul style="list-style-type: none"><li>ITB 31.1 of the solicitation document issued to bidders unjustifiably indicated that a margin of preference would not apply.</li><li>Used of the brand name "Pluvex" in the description of the horizontal damp proof course as per Item S of Element A of the bills of quantities.</li><li>Used brand name "Furse" in the description of the lightning protection as per Element I of the bills of quantities.</li><li>Sub-factor 6.2.6 of the qualification criteria in the solicitation document issued to bidders provided that bidders must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet a cash-flow requirement of UGX 100,000,000. The audit found that this criterion was restrictive as the estimated cost of the procurement as per the LG PP Form 1 was UGX 60,000,000. The audit further noted that as a result of this restrictive criterion, Masubo General Enterprises Ltd was eliminated during technical evaluation of bids and yet the bidder had quoted UGX 59,952,987.</li></ul>
2.	Construction of a	148,180,000	<ul style="list-style-type: none"><li>ITB 31.1 of the solicitation document issued to</li></ul>

No	Subject of Procurement	Amount	Findings
	staff house at Nawampiti Health Centre II (KALI561/WRKS/2 021-22/00049)		<p>bidders unjustifiably indicated that a margin of preference would not apply contrary to section 59A (1) of the PPDA Act, 2003</p> <ul style="list-style-type: none"> <li>• Use of the brand name “Hafele” in the description of the iron mongery course as per Item E of Element No.5 of the bills of quantities contrary to Regulation 48 (8) of the Local Governments (PPDA) Regulations, 2006</li> <li>• Use of the brand name “Plascon” in the description of the ceiling finishes as per Element F of the bills of quantities contrary to Regulation 48 (8) of the Local Governments (PPDA) Regulations, 2006</li> <li>• Use of the brand name “Schneider, Crabtree and Memshield” in the description of the electrical installations as per Element No. 10 of the bills of quantities</li> </ul>
3.	Construction of a 5- stance lined pit latrine at Buluya Primary School in Nansololo Sub-County (KALI561/WRKS/2 021-22/00033)	19,999,500	GCC 49.1 of the solicitation document issued to bidders was ambiguous. It provided that liquidated damages would be charged at a rate of 2% per day and that the maximum amount of liquidated damages for the whole of the works is calculated by the above percentage percent of the final contract sum. The maximum amount of damages was not stated.
4.	Supply, delivery, installation and commissioning of medical equipment for 28 health centre IIIs in Eastern Region – Kasokwe HC III (MoH/Supls/2021-22/00220/02)	167,196,050	The bid invitation was advertised in the New Vision newspaper on 15 <sup>th</sup> November 2021 with a deadline for receipt of bids of 13 <sup>th</sup> December 2021. The solicitation document issued to bidders however provided for a deadline for receipt of bids of 21 <sup>st</sup> March 2022. There was a contradiction between the two differing deadlines for receipt of bids.
5.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2 021-22/00066)	99,980,000	<ul style="list-style-type: none"> <li>• ITB 21.1 of the solicitation document issued to bidders provided that abid Security would be required while ITB 21.3 provided that the bid security would be valid up to 30<sup>th</sup> May 2022. This was not in congruence with the required validity of the bids that was provided for under ITB 20.1 as being 10<sup>th</sup> June 2022.</li> <li>• ITB 35.1 of the solicitation document issued to bidders indicated that a margin of preference would apply while, Section 9 of the Evaluation Methodology and Criteria provided that a margin of preference would not apply.</li> <li>• Section 11 of the Evaluation Methodology and Criteria provided that post-qualification would apply</li> </ul>

No	Subject of Procurement	Amount	Findings
			<p>but then did not provide any post-qualification criteria.</p> <ul style="list-style-type: none"> <li>The solicitation document provided for review did not include the terms of reference, specifications of the requirement, list of supplies and the delivery schedule.</li> </ul>
<b>Total</b>		<b>495,385,550</b>	

### Implications

- This exposed the district to the risk of bidders preparing non-responsive bids and it also leads to procurement of items which do not meet the users' requirements.
- This limited competition in the procurement process as specific brands were required hence eliminating the rest.

### Management response

Management acknowledged the issues raised by the Auditors, noted them with great concern and committed to improve on them in subsequent procurements.

### Recommendations

- The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity and accuracy before approval.
- The Head Procurement and Disposal Unit should;
  - Prepare quality solicitation documents in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006; and
  - Always advise the user department against using brand names in bills of quantities and specifications.

#### 2.2.4 Irregularities during receipt and opening of bids

Regulation 70 (9) of Local Governments (PPDA) Regulations, 2006 states that the bid closing process shall be managed by the Procurement and Disposal Unit and shall be witnessed by a representative of the Contracts Committee; all of whom shall sign the attendance register to confirm that bidding was closed at the precise time on the latest date of submission of bids.

The Authority noted irregularities during receipt and opening of bids in nine procurements worth UGX 678,568,701 as indicated in table 5 below:

**Table 5: Procurements in which there were irregularities during receipt and opening of bids**

No	Subject of Procurement	Amount	Irregularities	Management response
1.	Partial Construction of Administration Block for Bukamba Sub County (KALI561/WRKS/21-22/00043)	29,004,000	LG PP Form 9 (Record of receipt of bids) and. Record of bid opening (LG PP Form 10) not witnessed by a member	Management noted that there was an omission on the record of bid opening.

No	Subject of Procurement	Amount	Irregularities	Management response	
2.	Renovation of 3 Classrooms (floor) at Nawampiti Primary School (KALI561/WRKS/21-22/00047)	115,400,100	of Contracts Committee		
3.	Construction of a 2 in one staff House at Kaliro Town Council HC II (KALI561/WRKS/21-22/00007)	148,180,000		<p>Management noted the Auditors. However, after reviewing all the files, management discovered that they were witnessed by the member of Contracts Committee contrary to Auditors observation and copies are available for verification.</p> <p><b>PPDA comment;</b> No documents were availed for verification.</p>	
4.	Procurement of 02 Motorcycles for Production Department (KALI561/SUPLS/21-22/00002)	60,185,316			
5.	Construction of a 2 Classroom Block with Office and Store at Ihagalo P/S in Bumanya Sub County (KALI561/WRKS/21-22/00008)	59,986,394			
6.	Construction of a 2 Classroom Block with Office and Store at Isalo Primary School (KALI561/WRKS/21-22/00009)	112,352,891			
7.	Construction of a 2 in one staff House at Kisinda HC II (KALI561/WRKS/21-22/00006)	38,500,000			
8.	Siting and Drilling Supervision of 10 Boreholes in the District (KALI561/SRVCS/21-22/00003)	27,960,000			
9.	Maintenance and Repair of Vehicle (Isuzu Demax LG0012 and Mitsubishi UG3071R) (KALI561/WRKS/21-22/00075)	87,000,000	<ul style="list-style-type: none"> <li>• LG PP Form 9 (Record of receipt of bids) not witnessed by member of Contracts Committee or User Department.</li> <li>• Delayed opening of bids as per Form 10 of 13<sup>th</sup> June 2022</li> </ul>		
					<p>Management noted the issue and explained that the deadline of 12<sup>th</sup> June 2022 indicated on form 9 its true but was extended to 13<sup>th</sup> June 2022.</p> <p><b>PPDA comment;</b> No documents were</p>

No	Subject of Procurement	Amount	Irregularities	Management response
			against a deadline for submission of 12 <sup>th</sup> June 2022 indicated on LG PP Form 9.	availed for verification.
<b>Total</b>		<b>678,568,701</b>		

### Implication

Failure to ensure transparency in bid receipt and bid opening processes negatively impact on the reputation of the Entity and may lead to low bidder participation thus impeding achievement of value for money.

### Recommendation

The Procurement and Disposal Unit should properly manage the bidding process within the Entity to avoid such irregularities in compliance with Regulation 70 (9) Local Governments (PPDA) Regulations, 2006.

#### 2.2.5 Irregularities during bid evaluation

The Authority found irregularities in bid evaluation of 11 procurements worth UGX 3,720,092,760 contrary to Regulations 72 and 82 of the Local Governments (PPDA) Regulations, 2006 as indicated in Table 6 below:

**Table 6: irregularities during evaluation of bids**

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
1.	Construction of a classroom block with an office and store at Kibanda Primary School in Gadumire Sub-County (Kali561/Wrks/2021-22/00051)	60,030,000	<ul style="list-style-type: none"> <li>Item 20.1 provided that bidders must submit a Bid Security worth UGX 800,000 in the form of an on Demand Bank Guarantee in the amount specified and denominated in Uganda Shillings or a freely convertible currency. The audit however, noted that Kayaza Associates Ltd submitted a cheque worth UGX 650,000 as a bid security instead of a on demand bank guarantee in contravention of ITB 20.1 of the solicitation document issued to bidders. The bidder was however found compliant to the preliminary evaluation criteria.</li> <li>Kayaza Associated Ltd did not submit evidence of employment of an Electrical Foreman, a Health and Safety Officer, an Environmental Officer and a Social Developmental</li> </ul>	<ul style="list-style-type: none"> <li>Management explained that it was an error to mention Ugx: 800,000 but the correct figure for the bid security was Ugx: 650,000 as evidenced by a copy of the bid security.</li> <li>Management explained that Kayaza Associates Ltd presented the said Personals during evaluation.</li> </ul>

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
			<p>Officer and yet was found compliant to the detailed technical evaluation criteria.</p> <ul style="list-style-type: none"> <li>The audit noted that Kayaza Associates Ltd did not quote as per the bills of quantities in its bid for lightning protection. Although required quantities were provided for the same under Element I, the bidder did not provide unit prices for the items. The evaluation report was silent on how this was handled.</li> <li>The audit observed that although each page of the evaluation report had signatures appended, the names of the respective Evaluation Committee members were not provided as the section was left blank and consequently, the evaluation report was not dated.</li> <li>The audit reviewed the bid submission sheet in the bid submitted by Kayaza Associates Ltd and noted that although it indicated Mr. Patrick Rubanga in the capacity of director as the signatory to the bid, the bid submission sheet was not signed as there was no signature appended.</li> </ul>	<p>However, during the preparation of the contract some documents are reorganised in order to reduce the volume of the document.</p> <p><b>PPDA Comment:</b> Management did not provide responses to bullets 3, 4 &amp; 5. Secondly, no documents in respect to personnel were availed for verification.</p>
2.	Construction of a staff house at Nawampiti Health Centre II (KALI561/WR KS/2021-22/00049)	148,180,000	<ul style="list-style-type: none"> <li>The audit reviewed the bid submitted by Waiswa Consult (U) Ltd and noted that the bidder did not submit a duly signed code of ethical conduct in business for bidders and providers and yet was found compliant to the preliminary evaluation criteria.</li> <li>Forgery of a tax clearance certificate. The audit verified the authenticity of the tax clearance certificate submitted by Waiswa Consult (U) Ltd referenced IG01220000471 and noted that it returned the taxpayer as Vivania Company Uganda Ltd.</li> <li>Forgery of a NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance</li> </ul>	<ul style="list-style-type: none"> <li>Management noted that due diligence was not made on all documents. However, management commits itself that we shall be making due diligence on all documents during evaluation</li> <li>Management regretted that such an omission to</li> </ul>

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
			<p>certificate submitted by Waiswa Consult (U) Ltd referenced NS163949VOL and noted that it returned an invalid result.</p> <ul style="list-style-type: none"> <li>• The audit reviewed the bid submitted by Waiswa Consult (U) Ltd and noted that the bidder did not submit evidence of the employment of a Site Engineer, General Site Foreman, Electrical Foreman, Health and Safety Officer, Environmental Officer and Social Developmental Officer.</li> <li>• The audit noted that Waiswa Consult (U) Ltd did not submit audited books of accounts for the two years prior to the year of bidding to demonstrate the current soundness of the bidder's financial position and its prospective long term profitability.</li> <li>• Sub-factor 6.2.6 of the qualification criteria in the solicitation document issued to bidders provided that bidders must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet a cash-flow requirement of UGX 100,000,000. The audit found that Waiswa Consult (U) Ltd did not submit evidence of the access to financial resources.</li> <li>• The audit observed that although each page of the evaluation report had signatures appended, the names of the respective Evaluation Committee members were not provided as the section was left blank and consequently, the evaluation report was not dated.</li> </ul>	<p>carry out due diligence on all historical documents was made and promised to ensure that before any tender is awarded, due diligence will be made on all documents</p>
3.	Construction of a 5-stance lined pit latrine at Buluya Primary School in	19,999,500	<ul style="list-style-type: none"> <li>• The audit reviewed the bid submitted by Wentah Investments Ltd and noted that the bidder did not submit a duly signed code of ethical conduct in business for bidders and</li> </ul>	<ul style="list-style-type: none"> <li>• Management notes the anomaly and we promise to be so vigilant</li> </ul>

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
	Nansololo Sub-County (KALI561/WR KS/2021-22/00033)		<p>providers.</p> <ul style="list-style-type: none"> <li>The audit reviewed the Power of Attorney in the bid submitted by Wentah Investments Ltd and noted that it appointed Mr. Antony Boobu as the lawful attorney to do all things pertaining to the procurement. The audit however noted that the bid and contract were signed by Ms. Annet Bafumba.</li> </ul>	<p>during the evaluation of bids</p>
4.	Construction of Bumanya Seed Secondary School in Bumanya Sub-County (MoES/UgIFT/Wrks/21-21/00005 – Lot 37)	2,888,447,825	<ul style="list-style-type: none"> <li>Submission of unauthentic NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance certificate submitted by Sembais Joint Venture as belonging to Baisonga and Sons Company Limited and noted that the Certificate with Serial No 000070125 returned an invalid result.</li> <li>The audit noted that whereas the bidder was by the name Sembais Joint Venture, the bid security submitted in its bid referenced BBG100390721 worth UGX 66,000,000 was in the name of Semwo Construction Company Ltd.</li> <li>The audit verified the tax clearance certificate in the bid submitted by Sembais Joint Venture as being in favour of Baisonga and Sons Company Ltd referenced UGDN220149050 and noted that it returned an invalid result.</li> <li>The Semais Joint Venture agreement was not explicit as to whether both parties to the Joint Venture agreement (Semwo Construction Company Ltd and Baisonga and Sons Company Ltd) were jointly and severally liable for the implementation of the contract in accordance with the contract terms in contravention of Section 3.3 (b) (v) of the evaluation methodology and criteria provided in the solicitation document issued to bidders.</li> </ul>	<ul style="list-style-type: none"> <li>Management explained that this was a high breed procurement which was evaluated between Ministry of Education and Kaliro as an Entity. However, due diligence will be made such high bid procurements jointly by MoES and the executing entity.</li> </ul>

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
5.	Supply, delivery, installation and commissioning of medical equipment for 28 health centre IIIs in Eastern Region – Kasokwe HC III (MoH/Supls/2021-22/00220/02)	167,196,050	Some members of the Evaluation Committee i.e. Dr. Edward Sabiiti, Ms. Emily Cherop Sakajja, Dr. Siraji Masai, Ms. Jamada Kaugule Gakowe, Dr. Emmanuela Ongala, Dr. Ayubu Wangubo, Mr. Kefa Kereba and Mr. Mathias Mangeni did not sign the evaluation report.	Management reviewed the Evaluation Committee report and found out that the officers in question signed on each page, however, they did not sign against their names on the last page
6.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUP LS/2021-22/00066)	99,980,000	Submission of unauthentic NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance certificate submitted by Vimalraj Construction Co. Ltd and noted that the Certificate with Serial No 00006214 was issued to Virmar Technical Investment Ltd and was valid up to 23 <sup>rd</sup> October 2020. It was noted that the certificate submitted by the bidder did not indicate a date of issuance and was valid up to 24 <sup>th</sup> May 2022.	Management noted the omission and promised that they will ensure that due diligence is done on all the important documents relating to all contracts.
7.	Demarcation of roads in Kisinda Trading Centre (KALI561/SRV CS/2021-22/00072)	10,020,000	The submission to the Contracts Committee indicated that the Quality Based Selection (QBS) methodology would be used with the Contracts Committee granting approval for the same. Further, although it was indicated in the submission that the QBS would be used, evaluation was undertaken using the technical compliance selection methodology.	Management noted the observation and explained that after the review of the file it was discovered that QBS was used during evaluation as per a copy which is available for verification.  <b>PPDA comment;</b> No documents were availed for verification
8.	Construction of a 2 in one staff House at Kaliro Town Council HC II (KALI561/WR	115,400,100	The Evaluation Committee found Waiswa Consult (U) Limited compliant to the preliminary evaluation criteria and yet the bidder indicated in its bid, a bid validity period expiring on 28 <sup>th</sup> March 2019 and yet the required bid validity as	Management acknowledged the issue raised by the Auditors and explained that there was a mismatch in

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
	KS/21-22/00007)		per the solicitation document issued to bidders was indicated as 29 <sup>th</sup> June 2021.	the dates of bid validity within the Bid document. Management also committed that they will keenly scrutinise document before issuing them out in future.
9.	Construction of a 2 Classroom Block with Office and Store at Isalo Primary School (KALI561/WR KS/21-22/00009)	59,986,394	The Authority noted that a different evaluation criteria other than the one stated in the bidding document was used during evaluation of bids. For example, under personnel the Evaluation Committee evaluated the criterion of employment of a Contract Manager with a Diploma in Civil Engineering with total work experience in similar works of 3 years and specific experience of 2 years and Foreman with Certificates in Building and Construction with 2 and 1 years of general and specific experience and yet these criteria were not provided in the solicitation document issued to bidders.	Management regretted the anomaly and explained that this might have happened during contract preparation where some documents were removed to reduce the volume of the book  <b>PPDA comment:</b> The response does not relate to the issue raised.
10.	Siting and Drilling Supervision of 10 Boreholes in the District (KALI561/SRV CS/21-22/00003)	38,500,000	The submission to the Contracts Committee indicated that the Quality and Cost Based Selection (QCBS) methodology would be used with the Contracts Committee granting approval for the same. Further, although it was indicated in the submission that the QCBS would be used, evaluation was undertaken using the technical compliance selection methodology.	Management noted the inconsistency in the evaluation methodology and promised to improve.
11.	Construction of a 2 in one staff House at Kisinda HC II KALI561/WRK S/21-22/00006	112,352,891	Masuba General Enterprise (U) Limited was not evaluated at the detailed technical evaluation stage. The requirements under the stage were not evaluated. The Evaluation Committee simply attached part 1: Section 3 Evaluation methodology and criteria and there was no evidence of evaluating requirements like audited accounts or other financial statements acceptable to the employee for the last two years i.e 2019/20 and 2020/21, minimum average	Management noted the issue raised by the Auditors that some documents were not attached and explained that the documents were attached and were available for your verification.  <b>PPDA comment;</b>

No.	Subject of Procurement	Amount UGX	PPDA Findings	Management Response
			<p>turnover of UGX 80,000,000, financial resources in form credit line of 80m from a reputable bank and cash at bank of 5m, the personnel and equipment. The Evaluation Committee simply ticked R representing responsive on page 8 of 10 of the evaluation reports.</p> <p>A review of the bid revealed that did not propose and attach a CV and academic qualifications for the contract manager and a foreman as required.</p>	No documents were availed for verification
<b>Total</b>		<b>3,720,092,760</b>		

Irregularities in evaluation of bids was attributed to lack of capacity by Entity Staff in conducting evaluation of bids.

#### **Implication**

- Failure to adhere to set criteria in the solicitation document exposes the entity to the risk of award of contracts to incompetent and non-compliant bidders.
- Failure to inform bidders of arithmetic corrections made in their bid contravenes the principle of transparency.

#### **Recommendations**

- The Head Procurement and Disposal Unit should guide Evaluation Committees in conducting detailed evaluation in accordance with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.
- The Evaluation Committee should always request for clarification in writing from the affected bidders in case of correction of arithmetic errors in accordance with Regulation 74(3) and (4) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should organize a training and capacity building of key technical staff involved in evaluation.

#### **2.2.6 Failure to conduct due diligence on information submitted by bidders**

Regulation 59 (1) of the Local Governments (PPDA) Regulations, 2006 provides that a Procuring and Disposing Entity may at any time during a procurement and disposal process carry out a due diligence test on a bidder and shall not be confined to the pre or post-qualification stage or the procedure or content relating to those stages.

The Authority noted that the Evaluation Committee did not conduct due diligence on documents submitted by bidders in three procurements worth UGX 3,136,607,825 as indicated in Table 7 below:

**Table 7: Procurements in which due diligence was not conducted**

No.	Subject of Procurement	Amount in UGX	PPDA Findings
1.	Construction of a staff house at Nawampiti Health Centre II (KALI561/WRKS/2021-22/00049)	148,180,000	<ul style="list-style-type: none"> <li>Unauthentic tax clearance certificate. The audit verified the authenticity of the tax clearance certificate submitted by Waiswa Consult (U) Ltd referenced IG01220000471 and noted that it returned the taxpayer as Vivania Company Uganda Ltd.</li> <li>Unauthentic NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance certificate submitted by Waiswa Consult (U) Ltd referenced NS163949VOL and noted that it returned an invalid result.</li> </ul>
2.	Construction of Bumanya Seed Secondary School in Bumanya Sub-County (MoES/UglFT/Wrks/21-21/00005 – Lot 37)	2,888,447,825	<ul style="list-style-type: none"> <li>Unauthentic NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance certificate submitted by Sembais Joint Venture as belonging to Baisonga and Sons Company Limited and noted that the Certificate with Serial No 000070125 returned an invalid result.</li> <li>The audit noted that whereas the bidder was by the name Sembais Joint Venture, the bid security submitted in its bid referenced BBG100390721 worth UGX 66,000,000 was in the name of Semwo Construction Company Ltd.</li> <li>The audit verified the tax clearance certificate in the bid submitted by Sembais Joint Venture as being in favour of Baisonga and Sons Company Ltd referenced UGDN220149050 and noted that it returned an invalid result.</li> </ul>
3.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2021-22/00066)	99,980,000	Unauthentic NSSF clearance certificate. The audit verified the authenticity of the NSSF clearance certificate submitted by Vimalraj Construction Co. Ltd and noted that the Certificate with Serial No 00006214 was in the name of Virmar Technical Investment Ltd with a validity date of 23 <sup>rd</sup> October, 2020. However, the physical copy lacked date of issuance and was valid up to 24 <sup>th</sup> May 2022.
<b>Total</b>		<b>3,136,607,825</b>	

**Implication**

This may lead to award of contract to non-compliant bidders.

**Management Response**

Management acknowledged that due diligence was not made on all documents submitted by the bidders and promised that the technical evaluation committee will be conducting due diligence on all documents in order to verify their authenticity to avoid further risk.

## Recommendations

The Evaluation Committee should conduct due diligence during evaluation of bids to ensure authenticity of all information provided by bidders.

### 2.2.7 Delayed signing of contracts

The audit noted delays in signing of contracts in two procurements worth UGX 276,230,000 as indicated in Table 8 below:

**Table 8: Procurements in which contract signing was delayed**

S/No	Subject of Procurement	Amount in UGX	Issues Noted
1.	Construction of a classroom block with an office and store at Kibanda Primary School in Gadumire Sub-County (Kali561/Wrks/2021-22/00051)	60,030,000	Accounting Officer signed the contract on 18 <sup>th</sup> May 2022 after the contractor's representative had appended his signature on 4 <sup>th</sup> April 2022 causing a delay of 44 days. Consequently, works commenced on 19 <sup>th</sup> May 2022.
2.	Drilling, pump testing, casting and installation of 10-boreholes (KALI561/WRKS/2021-22/00001)	216,200,000	The Accounting Officer signed a contract on 27 <sup>th</sup> October 2021 after SG's clearance of the draft contract document on 14 <sup>th</sup> October 2021, causing a delay of 13 days.
<b>Total</b>		<b>276,230,000</b>	

### Implications

Delayed signing of contracts undermines the principle of efficiency and denies services to the intended beneficiaries.

### Management Response

Management acknowledged that there were some delays in signing of some contracts as seen in the table above and committed to ensure timely signing of contracts in subsequent procurements.

### Recommendation

The Accounting Officer should always sign the contracts on a timely manner for efficient and effective service delivery.

### 2.2.8 Competitiveness of the procurement process

The Authority noted that the Entity received less than three bids in 25% of the sampled procurement transactions as detailed in Table 9 below:

**Table 9: Procurements with a low bidder participation**

No	Subject of procurement	Amount (UGX)	No. of bids Received
1.	Construction of a 5-stance lined pit latrine at Buluya Primary School in Nansololo Sub-County (KALI561/WRKS/2021-22/00033)	19,999,500	2
2.	Drilling, pump testing, casting and installation of 10-boreholes (KALI561/WRKS/2021-22/00001)	216,200,000	2
3.	Demarcation of roads in Kisinda Trading Centre (KALI561/SRVCS/2021-22/00072)	10,20,000	2
4.	Siting and Drilling Supervision of 10 Boreholes in the District (KALI561/SRVCS/21-22/00003)	38,500,000	1
5.	Procurement of 02 Motorcycles for Production Department (KALI561/SUPLS/21-22/00002)	27,960,000	1

**Implication**

This hinders competitive bid offers hence affecting the achievement of value for money.

**Management Response**

Management acknowledged the issue raised by the auditors and pledged to make efforts to ensure high bidder participation.

**Recommendation**

- The Procurement and Disposal Unit should regularly review the list of prequalified firms to remove firms that do not respond to bid invitations and also provide for costs of bidding documents that can recover the cost of printing, copying and distribution without limiting competition.
- The Accounting Officer should establish the causes of low participation and devise means of improving competition.

**2.2.9 Signing of a contract based on an expired bid**

The audit noted that the contract for supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2021-22/00066) worth UGX 99,980,000 was signed on 13<sup>th</sup> June 2022 based on a bid submitted by Virmalraj Construction Company Ltd that expired on 10<sup>th</sup> June 2022.

**Implications**

- The actions by the Entity amounted to direct procurement without regard to the provisions under the Section 85 of the PPDA Act, 2003.
- The signed contract may not be enforceable.

**Management Response**

The Entity acknowledged the issues raised by the Auditors and explained that it came as a result of releases which come quarterly and committed to always check the validity of the bid before signing the contract.

### **Recommendation**

The Head, Procurement and Disposal Unit should ensure that bid validity periods are sufficient to cater for the duration of procurement processes. In the event that bids are due to expire, bidders should be requested to extend their bid validity period in accordance with Regulation 52 of the PPDA (Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2014.

#### **2.2.10 Signing of contracts without delegated authority**

Regulation 14 (f) of the Local Governments (PPDA) Regulations, 2006 provides that the Accounting Officer shall be responsible for signing contracts for procurement or disposal activities on behalf of the Procuring and Disposing Entity.

The Authority noted that the contract for the procurement of partial Construction of Administration Block for Bukamba Sub County (KALI561/WRKS/21-22/00043) worth UGX 29,004,000 was signed by Mr. Joseph Timuntu (SAS Bukamba Sub County) without delegated authority.

### **Implication**

This is an implication of usurping powers of the Accounting Officer.

### **Management Response**

Management explained that by the time of the Audit the letter delegating powers to sign the contract by Timuntu Joseph the Senior Assistant Secretary of Bukamba Sub County was placed on the subcounty correspondence file.

### **Recommendations**

The Authority noted the response, however, no evidence was provided for verification. The Accounting Officer should ensure that all contracts are signed by him and where circumstances cannot allow, delegation of authority must be done in accordance with Section 39 (a) of the PPDA Act, 2003.

#### **2.2.11 Delays at display Notice of Best Evaluated Bidder**

Regulation 85 (1) of the Local Governments (PPDA) Regulations, 2006 provides that a Procuring and Disposing Entity shall, within five days of the decision of the contracts committee to award a contract, display a notice of the best evaluated bidder.

The Authority noted delay to issue the Notice of Best Evaluated Bidder (NoBEB) in the procurement of Construction of a 2 in one staff House at Kaliro Town Council HC II (KALI561/WRKS/21-22/00007) worth UGX 115,400,100. The Notice was displayed on 23<sup>rd</sup> July 2021 after Contracts Committee award of contract on 7<sup>th</sup> July 2021. This implies that the NoBEB was displayed 11 working days after Contracts Committee award of contract contrary to Regulation 85(1).

### **Implication**

Delays in the procurement processes lead to delays in service delivery.

### **Management Response**

Management acknowledged the issue and promised to improve in future procurements.

### **Recommendation**

The Accounting Officer should ensure that Notices of Best Evaluated Bidders are displayed in the mandated period as required by Regulation 85 (1) of the Local Governments PPDA Regulations, 2006.

### **2.2.12 Signing contracts above the estimated cost without confirmation of additional funding**

Regulation 87 (1) of the Local Governments (PPDA) Regulations, 2006 requires that a Procuring and Disposing Entity shall not enter into a contract until the Accounting Officer or an officer with delegated authority confirms in writing that the required funds have been committed for the proposed contract. The audit noted that the Entity entered into contracts in five procurements worth UGX 355,442,307 without confirmation additional funding and yet the awarded contract sums were above the sums estimated at initiation as indicated in Table 10 below:

**Table 10: Procurements in which contracts were signed above estimated amounts**

No.	Subject of procurement	Estimated amount as per LG PP Form 1 (UGX)	Contract Sum (UGX)	Variance (UGX)
1	Partial Construction of Administration Block for Bukamba Sub County KALI561/WRKS/21-22/00043	24,781,696	29,004,000	4,222,304
2	Construction of a 2 in one staff House at Kaliro Town Council HC II KALI561/WRKS/21-22/00007	85,000,000	115,400,100	30,400,100
3	Construction of a 2 Classroom Block with Office and Store at Ihagalo P/S in Bumanya Sub County KALI561/WRKS/21-22/00008	60,000,000	60,185,316	185,316
4	Construction of a 2 in one staff House at Kisinda HC II KALI561/WRKS/21-22/00006	85,000,000	112,352,891	27,352,891
5	Siting and Drilling Supervision of 10 Boreholes in the District KALI561/SRVCS/21-22/00003	38,000,000	38,500,000	500,000
		<b>292,781,696</b>	<b>355,442,307</b>	<b>62,660,611</b>

### **Implication**

- This may lead to domestic arrears.
- This may also affect implementation of planned activities due to encroachment on funds meant for other projects.

### Management Response

Management acknowledged the issue and explained that the user departments had secured extra funds to support the procurements while for others are implemented in a phased manner.

### **Recommendation**

The Authority noted the response, however, no evidence was provided to support management's explanation. The Accounting Officer should always confirm availability of additional funding in accordance with Regulation 86 (2) (e) of the Local Governments (PPDA) Regulations, 2006.

### **2.2.13 Records Management**

Regulation 46 (1) of the Local Governments (PPDA) Regulations, 2006 provides for records that shall be kept by a Procuring and Disposing Entity for inspection by the Authority or other competent authority during working hours.

The audit noted that there were no contract management records such as Contract Supervisor appointment letters, payment records, contract implementation plans and progress reports in five procurement transactions worth UGX 446,230,000 contrary to Regulation 46 (3) (e) of the Local Governments (PPDA) Regulations, 2006. The procurements are indicated in Table 11 below.

**Table 11: Procurements with missing contract management records**

No	Subject of procurement	Amount (UGX)	Record missing	Management Response
1.	Construction of a classroom block with an office and store at Kibanda Primary School in Gadumire Sub-County (Kali561/Wrks/2021-22/00051) worth UGX 60,030,000	60,030,000	<ul style="list-style-type: none"><li>• Payment Records.</li><li>• Contract Supervisor appointment records</li></ul>	Management explained that the documents such as payment vouchers, appointment of contract supervisors etc were kept on separate file and where available for verification.  <b>PPDA comment;</b> The documents were not provided to the audit team for verification.
2.	Drilling, pump testing, casting and installation of 10-boreholes (KALI561/WRKS/2021-22/00001) worth UGX 216,200,000	216,200,000	<ul style="list-style-type: none"><li>• Contract implementation plan.</li></ul>	
3.	Completion of a three classroom block at Nantamali Primary School in Nansolo Sub-County (KALI561/WRKS/2021-22/00010) worth UGX 60,000,000	60,000,000	<ul style="list-style-type: none"><li>• Only one progress report dated 15<sup>th</sup> June 2022 was seen.</li></ul>	
4.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2021-22/00066) worth UGX 99,980,000	99,980,000	<ul style="list-style-type: none"><li>• Evidence of payment.</li><li>• Evidence of the appointment of a contract manager.</li></ul>	
5.	Demarcation of roads in Kisinda Trading Centre (KALI561/SRVCS/2021-22/00072) worth UGX 10,020,000	10,020,000	<ul style="list-style-type: none"><li>• Contract implementation plan.</li><li>• Progress reports.</li></ul>	
<b>Total</b>		<b>446,230,000</b>		

### Implication

Inadequate contract management records expose the Entity to the risk of paying for works and supplies not performed or received by the District.

### Recommendation

The Procurement and Disposal Unit should liaise with the User Departments to ensure that adequate contract management records are maintained on procurement action files in accordance with Regulation 46 (3) (e) of the Local Governments(PPDA) Regulations, 2006.

## 2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION

### 2.3.1 Inadequate contract management

Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006 provides that the contract supervisor shall ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract and a Procuring and Disposing entity's requirements.

The Authority noted that both the Entity and the Providers did not adequately meet their respective contractual obligations in five procurements worth UGX3,363,833,875 as indicated in Table 12 below contrary to Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.

**Table 12: Procurements in which there were inadequacies in contract management**

No	Subject of Procurement	Amount in UGX	Findings	Management Responses
1.	Construction of a classroom block with an office and store at Kibanda Primary School in Gadumire Sub-County (Kali561/Wrks/2021-22/00051)	60,030,000	<ul style="list-style-type: none"><li><b>Failure to provide as built drawings</b> There was no evidence that Kayaza Associates Ltd submitted as built drawings as required by GCC 58.1 of the contract nor was there evidence that 2% of the contract sum worth UGX 1,200,600 was withheld for failure by the Contractor to submit the as-built drawings.</li></ul>	Management explained that this was a small project that was implemented without any changes in the original design hence no need for as built drawings.  <b>PPDA comment;</b> The drawings were a requirement under GCC 58.1
2.	Construction of a staff house at Nawampiti Health Centre II (KALI561/WRKS/2021-22/00049)	148,180,000	<ul style="list-style-type: none"><li><b>Failure to prepare a contract implementation plan</b> Mr. Paul Muwereza was appointed by the Accounting Officer as the contract supervisor, however, he did not</li></ul>	<ul style="list-style-type: none"><li>Management explained that the appointment letters of contract managers were not on the procurement</li></ul>

No	Subject of Procurement	Amount in UGX	Findings	Management Responses
			<p>prepare a contract implementation plan.</p> <ul style="list-style-type: none"> <li>• <b>Non-submission of performance securities.</b> Waiswa Consult (U) Ltd (the contractor) did not submitted either a performance security amounting to 8% of the value of the works or an ES Performance Security amounting to 2% of the value of the works.</li> </ul>	<p>file but copies are available for verification.</p> <p><b>PPDA comment;</b> These were not provided for verification.</p> <ul style="list-style-type: none"> <li>• Management acknowledged the omission a performance security and promised to improve in subsequent procurements.</li> </ul>
3.	Construction of Bumanya Seed Secondary School in Bumanya Sub-County (MoES/UgIFT/Wrks/21-21/00005 – Lot 37)	2,888,447,825	<ul style="list-style-type: none"> <li>• <b>Non-submission of insurance cover.</b> Semais Joint Venture did not submit the relevant insurance covers in contravention of GCC 13.1 despite receiving UGX 2,000,000 for the same. No test reports were found on file despite UGX 1,500,000 being provided for the same as per the bills of quantities.</li> <li>• <b>Failure to submit programme of works timely.</b> The provider did not submit a programme of works in contravention of GCC 27.1 and yet UGX 300,000 had been provided for the same as per the bills of quantities. Additionally, GCC 36.3 provided that</li> </ul>	Management did not provide a response

No	Subject of Procurement	Amount in UGX	Findings	Management Responses
			<p>the period between programme updates would be 28 days, failure of which would attract a penalty of UGX 200,000 per failure to submit the revised work programmes in time.</p> <ul style="list-style-type: none"> <li>• <b>Non-submission of performance securities.</b> The provider did not submit a performance security worth 8% of the value of the contract and an ES Performance Security worth 2% of the value of the works in contravention of GCC 57.1</li> <li>• Audit also noted slow progress of works. At the time of the audit in June 2023. Time progress was at 58.3% while works executed amounted to 35%.</li> </ul>	
4.	Supply, delivery, installation and commissioning of medical equipment for 28 health centre IIIs in Eastern Region – Kasokwe HC III (MoH/Supls/2021-22/00220/02)	167,196,050	<ul style="list-style-type: none"> <li>• <b>Delays in delivery of items</b> GCC 16.1 of the signed contract provided that delivery of the goods would be completed with 4 months of signing of the contract i.e. 1<sup>st</sup> October 2022. The audit however noted that the provided delivered the items on 15<sup>th</sup> May 2023 as per the delivery note referenced 10119.</li> <li>• <b>Irregular change of scope.</b> The Contracts</li> </ul>	Management did not provide any response

No	Subject of Procurement	Amount in UGX	Findings	Management Responses
			Committee at its meeting on 29 <sup>th</sup> March 2023 approved a change in scope such that the value of supplies to be delivered was changed from UGX 167,196,050 to UGX 131,879,812. Despite the approved change of scope, the supplier proceeded to supply items worth UGX 167,196,050 as per the invoice referenced CSU1985.	
5.	Supply of Special Needs Education equipment (wheel chairs, crutches, hearing aids, spectacles, ramps, walkway line, calendar boxes and dolls) (KALI561/SUPLS/2021-22/00066)	99,980,000	<ul style="list-style-type: none"> <li>Non-submission of performance securities. There was no evidence that the provider submitted a performance security worth 10% of the contract price (UGX 9,998,000) in contravention of GCC 19.1.</li> </ul> <p>The contract was to be completed within 15 days of contract signing as per GCC 12. There was however no evidence of delivery of the supplies.</p>	<p>Management explained that the performance security was submitted and a copy was available for verification.</p> <p><b>PPDA comment;</b> This was not provided to the Authority for verification.</p>
<b>Total</b>		<b>3,363,833,875</b>		

### Implications

- Delayed delivery of goods hinders service delivery to the intended project beneficiaries and exposes the district to loss of funds swept back to the consolidated fund.
- Failure by the provider to submit performance securities exposes the district to the risk of provider non-performance without a fall back position.
- Failure to prepare contract implementation plans, program of works exposes the district of delays in contract execution due to lack of mechanisms to contract implementation.

## Recommendations

- Contract Supervisors should closely monitor contract durations and performance securities and immediately recommend for extensions in case of contracts that cannot be completed within the agreed initial period.
- The Head Procurement and Disposal Unit should ensure that successful bidders submit performance security within 28 days after contract signing.
- The Head of User departments should always ensure that Contract Supervisors prepare contract implementation plans.

### 2.3.2 Execution of works on expired contracts

A review of contract management reports, contract documents and the physical verification exercise conducted, the audit team noted that two contracts worth UGX 198,707,923 were still being implemented yet their contract periods had expired. Details are indicated in Table 13 below.

**Table 13: Expired contracts with on- going works**

S/N	Subject of procurement	Provider	Contract Amount (UGX)	Contract signing Date	Contract Expiry date	Remarks
1	Maintenance and Repair of Vehicle (Isuzu LG0012 and Mitsubishi UG3071R)	Walusimbi Garage Limited	83,307,823	17/6/2022	3 weeks after contract signing	Vehicle no. UG3071R Mitsubishi is still in the garage.
2	Construction of a 2 in one staff House at Kaliro Town Council HC II	Waiswa Consult (U) Limited	115,400,100	15/11/2022	6 months after contract signing	Incomplete works
<b>Total</b>			<b>198,707,923</b>			

In addition to the above, the authority noted that the District extended a time period of an expired contract for Supply, delivery, installation and commissioning of medical equipment for 28 health Centres III in Eastern Region – Kasokwe HC III (MoH/Supls/2021-22/00220/02) with a contract amount of UGX. 167,196,050. The contract expired on 1<sup>st</sup> October 2022 yet the Contracts Committee at its meeting on 29<sup>th</sup> March 2023 extended the contract to 30<sup>th</sup> June 2023.

Figure 1 below shows the status of construction of a 2 in one staff House at Kaliro Town Council HC II and Kisinda HC II that were still under construction yet their contracts had expired on 15<sup>th</sup> May, 2022.

Figure 1- Status of construction of 2 staff houses at Kaliro TC HCII and Kisinda HCII.



Incomplete works on a 2 in one staff House at Kisinda HC II and yet the contract had expired

#### **Implication**

Execution of expired contracts and extension of expired contracts exposes the district to risk of un-enforceable contracts in case the provider does not fulfil their obligations.

#### **Management Response**

Management explained that the contracts had been extended.

#### **Recommendation**

The Authority noted the response, however, the Entity did not provide evidence of such extensions.

- The Accounting Officer should institute a mechanism to track the contract validity period to ensure that only valid contracts are executed.
- The Contract Managers/supervisors should always submit contract extension requests in a timely manner to avoid expiry of contracts before the provider executes all their obligations.

#### **2.3.3 Incomplete works**

A site visit carried on **20<sup>th</sup> June 2023** by the audit team and the District Engineer representative revealed that some projects were incomplete. These include;

##### **i) Construction of a 2 Classroom block with Office and Store at Kibanda P/S**

The audit noted during a site visit to the construction of a 2 Classroom block with Office and Store at Kibanda P/S worth UGX 60,030,000 that glasses for both windows and doors had not been fixed, while the office of the Head Teacher had not been completed. Further, the doors had not been painted and the site had not been cleared while it was also noted that the ramp was steep making it difficult for disabled persons to access the building as shown in the pictures below:

**Figure 2 showing incomplete works in the Construction of a 2 Classroom block with Office and Store at Kibanda P/S**



Unpainted doors which are likely to rust



Incomplete floor in the Head Master's Office

**ii) Construction of a 3 Classroom block with at Nantamali P/S**

The audit noted during a site visit to the Construction of a 3 Classroom block with at Nantamali P/S that;

- a) Glasses for both windows and doors had not been fixed.
- b) The block lacked a lightening arrestor hence exposing the life of both teachers and pupils to the risk of lightening as indicated in figure 3 below:

**Figure 3 showing the incomplete construction of a 3 Classroom block with at Nantamali P/S**



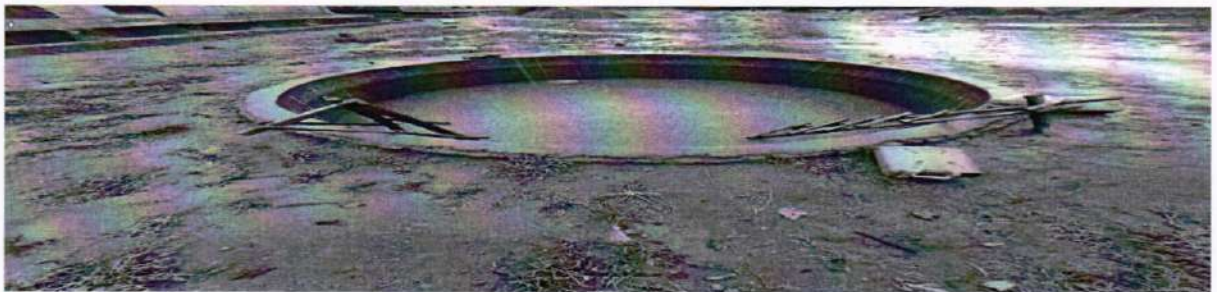
**iii) Construction of Bumanya Seed Secondary School in Bumanya Sub-County**

At the time of the audit and upon physical verification, it was noted that hoarding had been partially done while the water source remained unprotected which was a potential hazard to the community.

**Figure 4 showing incomplete hoarding of Bumanya Seed Secondary School and unprotected water source**



The site was not hoarded off



Unprotected water source

**Implications**

This exposes the district to a risk of wasteful expenditure on incomplete projects that do not serve their intended purpose.

**Recommendation**

The Accounting Officer should ensure that the above projects are completed so as to serve the intended purpose.

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

This section will present graphically the scores per area assessed under different performance audit objectives.

#### 3.1 Overall Audit Conclusion

The performance of Kaliro District Local Government for the Financial Year 2021/22 was **moderately Satisfactory** with overall weighted average risk rating of **64.31%**.

The risk rating is as follows:

**Table 15: Risk rating table**

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

#### 3.2 Entity's risk assessment

The table below shows the Entity's performance per risk category:

**Table 16: Summary of risk assessment of Kaliro District Local Government**

Risk category	Number of sampled procurements	%Number	Value	%Value
High	3	13.63	3,155,623,875	67.6
Medium	13	59.09	1,105,959,101	23.7
Low	6	27.27	406,742,370	8.7
<b>Total</b>	<b>22</b>	<b>100</b>	<b>4,668,325,346</b>	<b>100</b>

#### 3.3 Entity's Performance

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

**Table 17: Weighted score of Kaliro District Local Government**

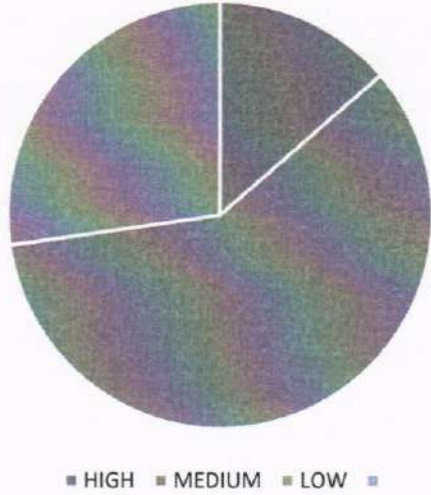
Risk category	Rating	Weights	Total weighted Average	Rating	Weights	Total weighted Average
	(By Number)			(By Value)		
High	13.63	0.6	8.18	67.6	0.6	40.56
Medium	59.06	0.3	17.72	23.7	0.3	7.11
Low	27.27	0.1	2.73	8.7	0.1	0.87
<b>Total</b>	<b>100</b>	<b>1</b>	<b>28.63</b>	<b>100</b>	<b>1</b>	<b>48.54</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28.63}{60} \times 100 = 47.72\%$$

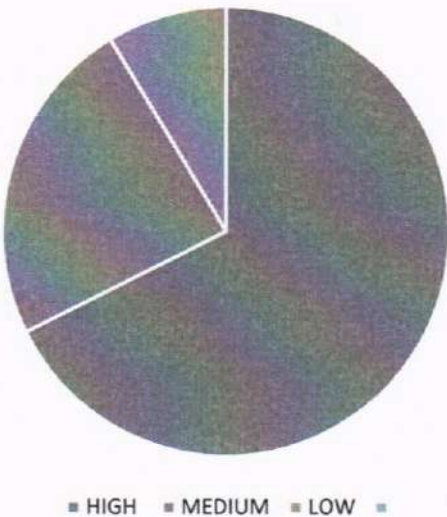
**Weighted Average (By Value) =  $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{48.54}{60} \times 100 = 80.9\%$**

**Combined Weighted Average =  $\frac{47.72 + 80.9}{2} = 64.31\%$**

**CHART REPRESENTING BY RISK NUMBER**



**CHART REPRESENTING RISK BY VALUE**



### 3.4 Recommended Action Plan

Kaliro District Local Government should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

**Table 18: Action plan**

No.	Recommendation	Responsible Officer	Target Date
1	Engage the Authority to induct the Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function.	Accounting Officer	January, 2024
2	Ensure that quarterly reports on procurement and disposal conducted are reported in a timely manner.	Accounting Officer	January, 2024
3	Organize a training and capacity building sessions of key technical staff involved in evaluation of bids.	Accounting Officer	February, 2024
4	Scrutinize bidding documents for completeness, correctness, clarity and accuracy before approval.	Contracts Committee	December, 2023
5	Prepare quality solicitation documents in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.	HPDU	December, 2023
6	Guide Evaluation Committees in conducting detailed evaluation in accordance with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.	HPDU	December, 2023
7	Ensure that bid validity periods are sufficient to cater for the duration of procurement processes. In the event that bids are due to expire, bidders should be requested to extend their bid validity.	HPDU	December, 2023
8	Liaise with the user departments to ensure that adequate contract management records are maintained on procurement action files in accordance with Regulation 46 (3) (e) of the Local Governments (PPDA) Regulations, 2006.	HPDU and User Departments	December, 2023
9	Ensure that successful bidders submit performance security within 28 days after contract signing.	HPDU	December, 2023
10	Always request for clarification in writing from the affected bidders in case of correction of arithmetic errors in accordance with Regulation 74(3) and (4) of the Local Governments (PPDA) Regulations, 2006.	Evaluation Committees	December, 2023
11	Always fill the funds availability section of LG PP	User	December,

No.	Recommendation	Responsible Officer	Target Date
	Form 1 based on their budget allocation prior to confirmation of funding by the Accounting Officer	Departments and Head of Finance	2023
12	Conduct due diligence during evaluation of bids to ensure authenticity of all information provided by bidders.	Evaluation Committees	December, 2023
13	Contract managers should closely monitor contract durations and performance securities and immediately recommend for extensions in case of contracts that cannot be completed within the agreed initial period.	Contract supervisors	December, 2023

**Annex 1: CASE BY CASE ANALYSIS**

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1	<p>Procurement of SNE Equipment: Wheel Chairs, Crutches, Hearing aids, Braille Machines, Stylus, White Canes, Spectacles, Provision of Ramps, Walk away lines, Calendar Boxes and Dolls</p> <p><b>Ref:</b> KALI561/SUPLS/21-22/00066</p> <p><b>Amount:</b> 99,980,000</p> <p><b>Method:</b> Open National Bidding</p> <p><b>Provider:</b> Virmalraj Construction Co. Limited</p>	<ul style="list-style-type: none"> <li>• Failure to procure within the approved plan. The procurement was not in the procurement plan</li> <li>• Irregularity at evaluation where the bidder forged NSSF clearance certificate.</li> <li>• Poorly drafted solicitation document</li> <li>• Signing of a contract based on an expired bid</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> </ul>
2	<p>Supply and Installation of Medical Equipment for Kasokwe HC III</p> <p><b>Ref:</b> KALI561/SUPLS/21-22/00220</p> <p><b>Amount:</b> 167,196,050</p> <p><b>Method:</b> Open National Bidding</p> <p><b>Provider:</b> Circular Supplies (U) Limited</p>	<ul style="list-style-type: none"> <li>• Failure for some members of the Evaluation Committee i.e. Dr. Edward Sabiiti, Ms. Emily CheropSakajja, Dr. Siraji Masai, Ms. Jamada Kaugule Gakowe, Dr.EmmanuelaOngala, Dr.AyubuWangubo, Mr. KefaKereba and Mr. Mathias Mangeni to sign the evaluation report.</li> <li>• Failure to deliver within the contract period</li> <li>• Failure to extend the contract period before expiry</li> <li>• Change of scope. The Contracts Committee at its meeting on 29th March 2023 approved a change in scope such that the value of supplies to be delivered was changed from UGX 167,196,050 to UGX 131,879,812. Despite the approved change of scope, the supplier proceeded to supply items worth UGX 167,196,050 as per the invoice referenced CSU1985.</li> </ul>
3	<p>Construction of Bumanya Seed Secondary School in Bumanya Sub-County</p> <p><b>Ref:</b> (MoES/UgIFT/Wrks/21-21/00005 – Lot 37)</p> <p><b>Amount:</b> 2,888,447,825</p>	<ul style="list-style-type: none"> <li>• No evidence that the contractor submitted the relevant insurance covers in contravention of GCC 13.1 despite receiving UGX 2,000,000 for the same.</li> <li>• No test reports were found on file despite UGX 1,500,000 being provided for the same as per the bills of quantities.</li> <li>• There was no evidence that the provider submitted a programme of works in contravention of GCC 27.1 and yet UGX 300,000 had been provided for the same as</li> </ul>

	<b>Provider:</b> Semais Joint Venture	<p>per the bills of quantities. Additionally, GCC 36.3 provided that the period between programme updates would be 28 days, failure of which would attract a penalty of UGX 200,000 per failure to submit the revised work programmes in time.</p> <ul style="list-style-type: none"> <li>• No evidence of submission of the performance security worth 8% of the value of the contract and an ES Performance Security worth 2% of the value of the works in contravention of GCC 57.1.</li> <li>• Slow progress of works at the time of the audit in June 2023. Time progress was at 58.3% while works executed amounted to 35%.</li> <li>• Incomplete hoarding works</li> <li>• Failure to adhere to safety measures</li> </ul>
<b>NO</b>	<b>MEDIUM RISK CONTRACTS</b>	<b>REASONS FOR MEDIUM RISK</b>
1	<p>Drilling, pump testing, casting and installation of 10-boreholes (KALI561/WRKS/2021-22/00001) worth UGX 216,200,000</p> <p><b>Ref:</b> KALI561/WRKS/2021-22/00001 <b>Amount:</b> 216,200,000</p> <p><b>Method:</b> Open National Bidding</p>	<ul style="list-style-type: none"> <li>• Delayed signing of the contract on 27<sup>th</sup> October 2021 after SG's clearance of the draft contract document on 14<sup>th</sup> October 2021.</li> <li>• There was no evidence that Multec Consult (U) Ltd submitted as built drawings as required by GCC 58.1 of the contract nor was there evidence that 2% of the contract sum worth UGX 4,324,000 for failure by the Contractor to submit the as-built drawings.</li> <li>• No appointment of a contract manager.</li> <li>• No contract implementation plan.</li> <li>• No Progress reports.</li> </ul> <p>Payment records.</p>
2	<p>Siting and Drilling Supervision of 10 Boreholes in the District <b>Ref:</b> KALI561/SRVCS/21-22/00003 <b>Amount:</b> 38,500,000</p> <p><b>Method:</b> Open Nation Bidding</p> <p><b>Provider:</b> Virmar Technical Services Limited</p>	<ul style="list-style-type: none"> <li>• Low bidder participation</li> <li>• Failure to fill the funds availability section</li> <li>• Irregularities during evaluation of bids where Technical Compliance Selection evaluation criteria was used instead of Quality and Cost Based Selection approved by the Contracts Committee</li> </ul>

3	<p>Construction of a 2 in one staff House at Kisinda HC II  <b>Ref:</b> KALI561/WRKS/21-22/00006  <b>Amount:</b> 112,352,891</p> <p><b>Method:</b> Open Nation Bidding</p> <p><b>Provider:</b> Masubo General Enterprises Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularity during receipt of bids where LG PP Form 9 (Record of receipt of bids) was not witnessed by member of Contracts Committee or User Department.</li> <li>• Irregularity during evaluation where Masuba General Enterprise (U) Limited was recommended for award of contract irregularly.</li> <li>• Signing of the contract above the estimated cost without confirmation of additional funding</li> </ul>
4	<p>Construction of a 2 in one staff House at Kaliro Town Council HC II  <b>Ref:</b> KALI561/WRKS/21-22/00007  <b>Amount:</b> 115,400,100</p> <p><b>Method:</b> Open Nation Bidding</p> <p><b>Provider:</b> Waiswa Consult (U) Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularity during receipt of bids where LG PP Form 9 (Record of receipt of bids) was not witnessed by member of Contracts Committee or User Department.</li> <li>• Irregularity during evaluation</li> <li>• Delayed issuance of the Notice of Best Evaluated Bidder notice of best evaluated bidder</li> </ul>
5	<p>Installation of Lightening Arrestors on 7- SFG Schools in the District  <b>Ref:</b> KALI561/WRKS/20-21/00036  <b>Amount:</b> 24,500,700</p> <p><b>Method:</b> Selective Bidding  <b>Provider:</b> Eltex Logistics Limited</p>	<ul style="list-style-type: none"> <li>• Failure to procure within the approved plan. The procurement was not in the procurement plan</li> <li>• Failure to fill the funds availability section</li> </ul>
6	<p>Supply of Borehole Spare parts to the District  <b>Ref:</b> KALI561/SUPLS/21-22/00014  <b>Amount:</b> 173,119,000</p> <p><b>Method:</b> Open Bidding</p>	<ul style="list-style-type: none"> <li>• Failure to procure within the approved plan. The procurement was not in the procurement plan</li> <li>• Failure to fill the funds availability section</li> </ul>

	<b>Provider:</b> Kaliro Hand Pump Mechanic Association	
7	Construction of a staff House at Budomero HC II <b>Ref:</b> KALI561/WRKS/21-22/00050 <b>Amount:</b> 24,500,700 <b>Method:</b> Open Bidding <b>Provider:</b> MeltaJopint Venture	<ul style="list-style-type: none"> <li>• Irregularities during receipt and opening of bids</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> <li>• Failure to attach specifications, bills of quantities, drawings and structural designs to LG PP Form 1 (procurement requisition form)</li> <li>• Failure to fill the funds availability section</li> </ul>
8	Construction of a staff House at Nawampiti HC II <b>Ref:</b> KALI561/WRKS/20-21/00049 <b>Amount:</b> 148,180,000 <b>Method:</b> Open Bidding <b>Provider:</b> Waiswa Consult (U) Limited	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularities during receipt and opening of bids</li> <li>• Irregularities during evaluation</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> </ul>
9	Construction of a 2 Classroom block with Office and Store at Kibanda P/S <b>Ref:</b> KALI561/WRKS/21-22/00051 <b>Amount:</b> 60,030,000 <b>Method:</b> Open Bidding <b>Provider:</b> Kayaza Associates Limited	<ul style="list-style-type: none"> <li>• Failure to procure within the approved plan. The procurement was not in the procurement plan</li> <li>• Delayed signing of the contract by the Accounting Officer</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> </ul>
10	Renovation of a 4 Classroom Block at Nawampiti Primary School in Bukamba Sub county <b>Ref:</b> KALI561/WRKS/21-22/00069 <b>Amount:</b> 44,000,000 <b>Method:</b> Selective Bidding	<ul style="list-style-type: none"> <li>• Failure to procure within the approved plan. The procurement was not in the procurement plan</li> <li>• Failure to fill the funds availability section</li> <li>• Irregularities during receipt and opening of bids</li> <li>• Failure to sign code of ethical conduct by all the members of the evaluation committee</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> </ul>

	<b>Provider:</b> Namukooma Investments Limited	
11	<p>Partial Construction of Administration Block for Bukamba Sub County</p> <p><b>Ref:</b> KALI561/WRKS/21-22/00069</p> <p><b>Amount:</b> 29,004,000</p> <p><b>Method:</b> Selective Bidding</p> <p><b>Provider:</b>Namukooma Investments Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Signing the contract without delegated authority</li> <li>• Failure to attach specifications, bills of quantities, drawings and structural designs to LG PP Form 1 (procurement requisition form)</li> <li>• Failure to sign code of ethical conduct by all the members of the evaluation committee</li> <li>• No contract supervisor appointment letter</li> <li>• No Contract implementation plan</li> </ul>
12	<p>Construction of a 2 Classroom Block with Office and Store at Ihagalo P/S in Bumanya Sub County</p> <p><b>Ref:</b> KALI561/WRKS/21-22/00008</p> <p><b>Amount:</b> 60,185,316</p> <p><b>Method:</b> Open National Bidding</p> <p><b>Provider:</b> Kayaza Associates Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularities during evaluation</li> <li>• Irregularities during receipt and opening of bids</li> <li>• Irregularities during display of notice of best evaluated bidder</li> </ul>
13	<p>Construction of a 2 Classroom Block with Office and Store at Isalo Primary School</p> <p><b>Ref:</b> KALI561/WRKS/21-22/00009</p> <p><b>Amount:</b> 59,986,394</p> <p><b>Method:</b> Open National Bidding</p> <p><b>Provider:</b>Waiswa Consult (U) Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularities during evaluation</li> <li>• Irregularities during receipt and opening of bids</li> <li>• Irregularities during display of notice of best evaluated bidder</li> </ul>

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1	<p>Maintenance and Repair of Vehicle  <b>Ref:</b> KALI561/SRVCS/21-22/00075</p> <p><b>Amount:</b> 87,000,000</p> <p><b>Method:</b> Direct Procurement</p> <p><b>Provider:</b> Walusimbi Garage Limited</p>	<ul style="list-style-type: none"> <li>• Poorly drafted solicitation document</li> <li>• Failure to fill the funds availability section</li> </ul>
2	<p>Completion of Namwiwa Sub County Headquarters  <b>Ref:</b> KALI561/WRKS/21-22/00005</p> <p><b>Amount:</b> 249,232,520</p> <p><b>Method:</b> Open Nation Bidding</p> <p><b>Provider:</b> Bandana Engineers Limited</p>	<ul style="list-style-type: none"> <li>• Poorly drafted solicitation document</li> <li>• Failure to fill the funds availability section</li> </ul>
3	<p>Construction of a 5 stance pit Latrine at Buluya Parents P/S in Nansolo Sub county  <b>Ref:</b> KALI561/WRKS/20-21/00033</p> <p><b>Amount:</b> 19,999,500</p> <p><b>Method:</b> Selective Bidding</p> <p><b>Provider:</b> Wentah Investments (U) Limited</p>	<ul style="list-style-type: none"> <li>• Low bidder participation</li> <li>• Poorly drafted solicitation document</li> <li>• Irregularities during evaluation</li> <li>•</li> </ul>
4	<p>Demarcation of roads in Kisinda Trading Centre  <b>Ref:</b> KALI561/WRKS/21-22/00072</p> <p><b>Amount:</b> 10,020,000</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Low bidder participation</li> <li>• Failure to attach specifications, bills of quantities, drawings and structural designs to LG PP Form 1 (procurement requisition)</li> <li>• No evidence of the appointment of a contract</li> </ul>

	<p><b>Method:</b> Selective Bidding</p> <p><b>Provider:</b> Spartial Data SMC Limited</p>	<p>manager.</p> <ul style="list-style-type: none"> <li>• No contract implementation plan.</li> <li>• Progress reports.</li> </ul>
5	<p>Procurement of 02 Motorcycles for Production Department</p> <p><b>Ref:</b> KALI561/SUPLS/21-22/00002</p> <p><b>Amount:</b> 27,960,000</p> <p><b>Method:</b> Open National Bidding</p> <p><b>Provider:</b> Simba Automotive Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Irregularity during receipt of bids</li> </ul>
6	<p>Renovation of 3 Classrooms (floor) at Nawampiti Primary School</p> <p><b>Ref:</b> KALI561/WRKS/21-22/00047</p> <p><b>Amount:</b> 12,530,350</p> <p><b>Method:</b> Selective National Bidding</p> <p><b>Provider:</b> Wentah Investments Limited</p>	<ul style="list-style-type: none"> <li>• Failure to fill the funds availability section</li> <li>• Failure to attach specifications, bills of quantities, drawings and structural designs to LG PP Form 1 (procurement requisition)</li> <li>• Irregularities during receipt and opening of bids</li> </ul>

**Annex 2: PROCUREMENT AND DISPOSAL SAMPLE LIST FOR KALIRO DLG FOR FINANCIAL YEAR 2021/2022**

Procurement Ref No.	Subject of Procurement	Method of Procurement	Provider	Date of award	Contract Value (Ugx)
KALI561/SRVCS/21-22/00003	Siting and Drilling Supervision of 10 Boreholes in the District	Open Bidding	Virmar Technical Services Limited	06 <sup>th</sup> August, 2021	38,500,000
KALI561/WRKS/21-22/00005	Completion of Namwiwa Sub County Headquarters	Open Bidding	Bandana Engineers Limited	06 <sup>th</sup> August, 2021	249,232,520
KALI561/WRKS/21-22/00006	Construction of a 2 in one staff House at Kisinda HC II	Open Bidding	Masubo General Enterprises Limited	06 <sup>th</sup> August, 2021	112,352,891
KALI561/WRKS/21-22/00007	Construction of a 2 in one staff House at Kaliro Town Council HC II	Open Bidding	Waiswa Consult (U) Limited	06 <sup>th</sup> August, 2021	115,400,100
KALI561/SUPLS/21-22/00014	Supply of Borehole Spare parts to the District	Open Bidding	Kaliro Hand Pump Mechanic Association	06 <sup>th</sup> August, 2021	173,119,000
KALI561/WRKS/20-21/00036	Installation of Lightening Arrestors on 7- SFG Schools in the District	Selective Bidding	Eltex Logistics Limited	09 <sup>th</sup> September, 2021	24,500,700
KALI561/WRKS/20-21/00033	Construction of a 5 stance pit Latrine at Buluya Parents P/S in Nansolo Sub county	Selective Bidding	Wentah Investments (U) Limited	09 <sup>th</sup> September, 2021	19,999,500
KALI561/WRKS/21-22/00050	Construction of a staff House at Budomero HC II	Open Bidding	MeltaJopint Venture	07 <sup>th</sup> December, 2022	24,500,700
KALI561/WRKS/20-21/00049	Construction of a staff House at Nawampiti HC II	Open Bidding	Waiswa Consult (U) Limited	01 <sup>st</sup> March, 2022	148,180,000
KALI561/WRKS/21-22/00051	Construction of a 2 Classroom block with Office and Store at Kibanda P/S	Open Bidding	Kayaza Associates Limited	01 <sup>st</sup> March, 2022	60,030,000

KALI561/SUPLS/21-22/00220	Supply and Installation of Medical Equipment for Kasokwe HC III	Open Bidding	Circular Supplies (U) Limited	13 <sup>th</sup> May, 2022	167,196,050
KALI561/WRKS/21-22/00069	Renovation of a 4 Classroom Block at Nawampiti Primary School in Bukamba Sub county	Selective Bidding	Namukooma Investments Limited	16 <sup>th</sup> May, 2022	44,000,000
KALI561/WRKS/21-22/00072	Demarcation of roads in Kisinda Trading Centre	Selective Bidding	Spartial Data SMC Limited	16 <sup>th</sup> May, 2022	10,020,000
KALI561/SUPLS/21-22/00066	Procurement of SNE Equipment: Wheel Chairs, Crutches, Hearing aids, Braille Machines, Stylus, White Canes, Spectacles, Provision of Ramps, Walk away lines, Calendar Boxes and Dolls	Open Bidding	Virralraj Construction Co. Limited	16 <sup>th</sup> May, 2022	99,980,000
KALI561/SRVCS/21-22/00075	Maintenance and Repair of Vehicle	Direct Procurement	Walusimbi Garage Limited	27 <sup>th</sup> June, 2022	87,000,000
KALI561/SUPLS/21-22/00002	Procurement of 02 Motorcycles for Production Department	Open Bidding	Simba Automotive Limited	06 <sup>th</sup> August, 2022	27,960,000
KALI561/WRKS/21-22/00043	Partial Construction of Administration Block for Bukamba Sub County	Selective Bidding	Masubo General Enterprises Limited	07 <sup>th</sup> December, 2021	29,004,000
KALI561/WRKS/21-22/00047	Renovation of 3 Classrooms (floor) at Nawampiti Primary School	Selective Bidding	Wentah Investments Limited	07 <sup>th</sup> December, 2021	12,530,350
KALI561/WRKS/21-22/00008	Construction of a 2 Classroom Block with Office and Store at Ihagalo P/S in Bumanya Sub County	Open Bidding	Kayaza Associates Limited	06 <sup>th</sup> August, 2021	60,185,316
KALI561/WRKS/21-22/00009	Construction of a 2 Classroom Block with Office and Store at Isalo Primary School	Open Bidding	Waiswa Consult (U) Limited	06 <sup>th</sup> August, 2021	59,986,394
KALI561/WRKS/2021-	Drilling, pump testing, casting and	Open			216,200,000