PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Regulating for Results"

COMPLIANCE INSPECTION REPORT FOR KAPCHORWA MUNICIPAL COUNCIL FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

BEB	Best Evaluated Bidder
BOQs	Bills of quantities
LTD	Limited
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
P/S	Primary School

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Kapchorwa Municipal Council, covering a representative sample of 11 procurement transactions worth UGX 808,482,045 for Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Kapchorwa Municipal Council's procurement and disposal system and process with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations and the PPDA Guidelines and assess the level of procurement and disposal performance over the inspection period.

The inspection established that although the Entity had fully staffed procurement structures, significant weaknesses remained in governance, oversight, and compliance with procurement and disposal requirements. The Authority noted that a substantial proportion of recommendations from the previous inspection had not been fully implemented. In addition, weaknesses were observed in procurement planning, bid evaluation, the preparation and approval of solicitation documents, disposal of obsolete assets and contract management.

Although the weaknesses identified did not fundamentally compromise the overall integrity of the procurement and disposal system, they were significant and indicative of persistent shortcomings in the operation of the Entity's procurement and disposal system and processes. If left unaddressed, these deficiencies may adversely affect service delivery, limit competition, erode value for money, increase exposure to procurement and contract management risks and ultimately undermine the Entity's ability to achieve its intended development objectives.

Accordingly, the performance of Kapchorwa Municipal Council for Financial Year 2024/2025 is assessed as **Moderately Satisfactory,** with an overall weighted average risk rating of **40%.** However, the identified weaknesses require focused management interventions to strengthen governance and oversight, improve compliance with procurement and disposal requirements, enhance the quality of procurement processes and ensure timely completion of contracts.

The following key exceptions were noted:

1. In contravention of Section 10 (1) (a) of the PPDA Act, Cap. 205, which obliges Entities to take corrective action on the recommendations issued by the Authority, it was observed that the Entity had not fully implemented 67% of the recommendations from the Financial Year 2022/2023 audit report issued in April 2024. Of the 12 recommendations, only 4 (33%) were implemented, 5 (42%) were partially implemented, and the remaining 3 (25%) were not implemented. Failure to fully implement audit recommendations undermines the procurement function's performance and indicates a weak implementation mechanism within the Entity;

2. Regulations 5(1) and (2) of the PPDA (Evaluation) Regulations, 2023 require the Head of the Procurement and Disposal Unit to confirm that Evaluation Committees strictly adhere to the evaluation criteria set out in the solicitation documents. However, the Authority noted that in four procurements worth UGX 428,822,756, the Evaluation Committees failed to adhere to the bid evaluation criteria set out in the bidding documents. The Authority also noted that, contrary to Regulation 21(5) of the PPDA (Evaluation) Regulations, 2023, which requires the best evaluated bid to be the lowest-priced bid that is eligible and

administratively compliant with the technical requirements specified in the bidding document, the Entity awarded contracts to bidders that had submitted higher quotations during financial evaluation in two procurements worth UGX 105,571,661. This suggests that members of the Evaluation Committee may have engaged in unethical conduct or lacked the capacity to review bids, potentially compromising the fairness and transparency of the evaluation process;

3. Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires the Contracts Committee to ensure that bidding documents are thoroughly scrutinised for adequacy, completeness, and quality before approval. However, the Authority noted unclear evaluation criteria in two procurements worth UGX 377,300,761. Inadequate solicitation documents mislead providers, leading to non-responsive bids, causing challenges during evaluation and contract implementation, deterring competition, and potentially resulting in the contracting of incompetent providers;

4. Regulation 52(3)(a)(vi) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure that all contractual obligations are completed before the contract expires. However, the Authority noted delays in the completion of two projects worth UGX 105,571,661, with the projects being completed an average of 69 days after the contractual completion dates. Delayed contractual completion results in delayed service delivery and failure to achieve value for money; and

5. Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023, states that "*A User Department may initiate a process for disposal of public assets where the board of survey of the Entity recommends the disposal of a public asset*". However, although the board of survey report for Financial Year 2023/2024 recommended several items for disposal, the Entity did not put in place any mechanism to initiate the disposal process, ensuring these items were disposed of. Failure to dispose of assets inhibits the achievement of value for money, as funds are tied up in assets and expose them to theft and further depreciation.

In light of the above findings, the Authority recommends the following;

1. The Accounting Officer should:
    i. Establish a structured mechanism for tracking and implementing the Authority's recommendations, including preparing an implementation action plan with clear timelines, responsible officers, and periodic progress reviews. In addition, Management should designate an officer or committee to regularly monitor implementation status and report progress to Top Management, ensuring that all recommendations issued by the Authority are fully implemented in a timely manner in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

    ii. Ensure that the items for disposal are promptly disposed of in accordance with the appropriate disposal methods set out in Part II of the PPDA (Disposal of Public Assets) Regulations, 2023; and

    iii. Task contract managers with close supervision of ongoing works and the enforcement of timely project completion to avoid delays in service delivery and escalation of administrative and contract management costs, in accordance with Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023.

2. The Head, Procurement and Disposal Unit should ensure that Evaluation Committees strictly adhere to the evaluation criteria set out in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulation 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.

3. The Contracts Committee should scrutinise the bidding documents for quality before approval, in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Kapchorwa Municipal Council should implement the action plan recommended on page 18 of the compliance inspection report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Kapchorwa Municipal Council, covering a representative sample of 11 procurement transactions for the Financial Year 2024/2025. The inspection reviewed procurement structures, procurement and asset disposal processes, and contract performance in accordance with the provisions of the Public Procurement and Disposal of Assets Act, Cap 205, and the attendant PPDA Regulations.

1.2 Overall Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Kapchorwa Municipal Council's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the attendant PPDA Regulations, and to assess the level of procurement performance over the inspection period.

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205, and the attendant PPDA Regulations regarding the performance of the procurement structures and the conduct of the procurement processes;
2. Assess the extent to which the Entity's disposal process complies with the provisions of the PPDA Act, Cap. 205, and the PPDA (Disposal of Public Assets) Regulations, 2023; and
3. Assess the efficiency and effectiveness of contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Structure of the Entity

The key players in the procurement structure at Kapchorwa Municipal Council include the Town Clerk as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments. The details about the Entity's procurement structure are provided below:

i. Accounting Officer

Section 28(1) of the PPDA Act, Cap. 205 assigns the Accounting Officer overall responsibility for the successful execution of procurement, disposal, and contract management within the Procuring and Disposing Entity. The Town Clerk, Mr Tonny Ogwang, was the designated Accounting Officer of the Entity for the Financial Year 2024-2025. The details about the Entity's procurement structure are provided below:

ii. Staffing of the Procurement and Disposal Unit

During the year under review, the Entity's procurement and disposal unit was fully staffed, with two members of staff at the levels of Procurement Officer and Assistant Procurement Officer. The details of the staff of the Procurement and Disposal Unit are shown in Table 1 below:

Table 1: Staff in the Procurement and Disposal Unit

S/No	Name	Job Title	Academic Qualification
1.	Mr. Benard George Kityo	Procurement Officer	Postgraduate Diploma in Procurement & Supply Chain Management-UMI, Bachelor's degree in Procurement & Logistics

S/No	Name	Job Title	Academic Qualification
			Management – IUIU and Uganda Diploma in Business Studies (UDRBS)
2.	Ms. Dorcus Brown Adong	Assistant Procurement Officer	Bachelor of Business Administration (Procurement), Diploma in Procurement & Logistics Management and a Certificate in Procurement and Logistics Management

iii. **Composition of the Contracts Committee**

During the inspection period, the Entity's Contracts Committee was fully constituted in accordance with the provisions of Section 29 of the PPDA Act, Cap. 205. The Contracts Committee was comprised of five members, as shown in Table 2 below:

Table 2: Showing Contracts Committee membership during the inspection period

No	Name	Job title	Committee position	Date of appointment
1.	Mr. Nelson Twoyem	Principal Health Inspector	Chairperson	7th July 2025
2.	Mr. Julius Etyang Obita	Senior Physical Planner	Member	30th November 2023
3.	Mr. Fred Satya	Senior Assistant Town Clerk	Member	3rd August 2023
4.	Mrs. Betty Alilo	Principal CDO	Member	3rd August 2023
5.	Mr. Ronald Mutebi	Senior Planner	Member	7th July 2025

1.4 Inspection Scope

The inspection covered a sample of 11 procurement transactions for Financial Year 2024/2025. The list of sampled transactions is set out in Annex 2.

1.5 Methodology

On 9th April 2026, the Entity was notified about the compliance inspection. A sample of 11 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. The launch meeting was held on 27th April 2026 between the Authority's team and the Entity's officials.

Three officers conducted the exercise under the supervision of the Manager, Performance Monitoring. During the exercise, the team examined records and documents of the sampled procurement transactions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

On completion of file review, the team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on **29th April 2026** between the team and the Entity's officials. A management letter was issued to the Entity for management's response on **26th May 2026** and the Entity's responses to the raised issues were received on **5th June 2026**.

On completion of data collection and before writing the report, the Manager reviewed the working papers for completeness. The working papers contained 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 TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205, AND ATTENDANT PPDA REGULATIONS WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF PROCUREMENT PROCESSES

2.1.1 Failure to fully implement previous audit recommendations

In contravention of Section 10 (1) (a) of the PPDA Act, Cap. 205, which obliges Entities to take corrective action on the recommendations issued by the Authority, it was observed that the Entity had not fully implemented 67% of the recommendations from the Financial Year 2022/2023 audit report issued in April 2024. Out of 12 recommendations made, only four (33%) were implemented, five (42%) were partially implemented, and the remaining three (25%) were not implemented, as detailed in Table 3 below:

Table 3: Implementation of previous audit recommendations

No	Recommended Action	Status
1.	The Accounting Officer should:	
	i. Come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training on them, including them in key performance indicators, and discussing them in top management meetings, among others.	Partially Implemented
	<u>Management response</u> *I have taken the Authority's advice, and I promise to comply by establishing a task force and ensuring that these recommendations are discussed in the senior management committee and the technical planning committee.*	
	ii. Along with Management, regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205, to ensure improved performance	Not Implemented
	<u>Management response</u> *I have taken note, and kindly inform you, that the entity reviewed the plan in this case at the close of the financial year and submitted it to PPDA & MOFPED.* **Authority's comment** The Authority noted Management's response and the submission of a revised procurement plan. However, a comparison of the revised plan with the Entity's monthly procurement reports still revealed a 15% variance between planned procurements and actual procurement expenditure.	
	iii. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, poor market price assessment, delayed initiation, among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money;	Partially Implemented
	<u>Management response</u> *We have noted the Authority's advice and pledge to ensure fairness in evaluation, the preparation of quality bidding documents, market assessment prior to bidding, and timely initiation by heads of departments.*	

No	Recommended Action	Status
	iv. Ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 51 of the PPDA Act, Cap. 205	Partially Implemented
	Management response *I take the Authority's advice and promise to comply in future.*	
	v. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Part II of the PPDA (Disposal of Public Assets) Regulations, 2023;	Not Implemented
	Management response *I have noted the findings, and I promise to ensure that assets recommended for disposal are disposed of in accordance with the PPDA regulations 2023.*	
	vi. Ensure that the Municipal Environmental Officer, Community Development Officer and the Labour Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that the ESHS issues are embedded in the procurement right from the design stage;	Partially Implemented
	Management response *Noted: there is already an improvement in this part based on the just-conducted bidding process; the said officers were involved in the process. Moreover, this area has been strengthened by the appointment of a substantive environment officer.*	
	vii. Ensure that all shortlisted bidders are issued with bid invitation notices and maintain evidence of receipt by the invited bidders.	Partially Implemented
	Management response *For all projects under review, at least six (06) prequalified bidders were invited, most invitations were sent through WhatsApp, and I promise that in future, invitations shall be issued through providers' emails such that proper evidence can be accessed and provided if needed.* **Authority's comment** The Authority noted Management's commitment to improve the mode of issuing invitations. The Entity is encouraged to issue procurement invitations through official email communication or other verifiable means that provide an audit trail to facilitate accountability and future verification.	
2	The Chairperson of the Contracts Committee, the Head of the Procurement and Disposal Unit and User Departments should adhere to Regulation 32 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, regarding the preparation of solicitation documents.	Not Implemented
	Management response *Management acknowledges the observation regarding gaps in the preparation of solicitation documents. The Entity has since made improvements in this area and is committed to strengthening the preparation and review of solicitation documents to ensure full compliance with procurement requirements in future procurements.*	

Implication

Failure to fully implement previous recommendations affects the performance of the procurement function and indicates a weak implementation mechanism within the Entity.

Recommendation

The Accounting Officer should establish a structured mechanism to track and implement the Authority's recommendations, including a clear action plan with timelines, responsible officers, and periodic progress reviews. In addition, Management should designate an officer or committee to regularly monitor implementation status and report progress to Top Management, ensuring that all recommendations issued by the Authority are fully implemented in a timely manner, in accordance with Section 10(1)(a) of the PPDA Act, Cap. 205.

2.1.2 Failure to execute 15% of the Entity's procurement plan

Section 60(7) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to periodically review and update its procurement plan to ensure the effective implementation of planned procurements. However, analysis of the Entity's implementation of its procurement plan revealed that procurements worth UGX 305,476,164, representing 15% of the approved procurement plan, were not executed during the period under review. Consequently, the Entity implemented only 85% of its planned procurements. Details are provided in Table 4 below:

Table 4: Analysis of the implementation of the procurement plan

Metric	Amount (UGX)
Total procurement plan value inclusive of VAT (UGX)	2,068,851,748
Procurement spend value inclusive of VAT (UGX)	1,763,375,584
Procurement plan Implementation Rate (%)	85
Budget variance (UGX)	305,476,164

Implication

Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and exposes the Entity to the risk of reduced budget allocations in future periods due to underperformance, thereby undermining the Entity's ability to achieve its planned objectives.

Management Response

The Entity had a total procurement plan of UGX 2,068,851,748, as recorded in the revised and received copy of the plan; however, the implementation rate did not reach 141%, as reported, resulting in a variance of UGX 853,768,957. According to our records, spending was even below 100% due to funds expected from local revenue, which are not always realised as planned.

Authority's comment

The Authority noted the Entity's response and recalculated the procurement plan implementation rate using the procurement register submitted by Management. The review confirmed an implementation rate of 85%, indicating that procurements valued at UGX 305,476,164 in the approved procurement plan were not implemented during the period under review.

Recommendation

The Accounting Officer should ensure that the Entity reviews and updates its procurement plan quarterly, in accordance with Section 60(7) of the PPDA Act, Cap. 205, to align planned procurements with available funding, emerging priorities, and implementation realities.

2.1.3 Limited competition in the Entity's procurement processes

Contrary to Section 49 of the PPDA Act, Cap. 205, the Authority noted indicators of limited competition in the Entity's procurement processes, including low bidder participation and inadequate documentation of invitations to bid. Details are provided below:

i. Low bidder participation

The inspection revealed that in two procurements worth UGX 97,041,261, the Entity received an average of two bids in response to invitations to bid under the Request for Quotations procurement method, indicating a lack of confidence among bidders in the Entity's procurement processes. The procurements with low bidder participation are shown in Table 5 below:

Table 5: Indicating procurements with low bidder participation

S/No	Subject	Amount (UGX)	Bids received
1.	Renovation of two classroom blocks at Kapchorwa P/S	19,740,500	2
2.	Completion of twin staff house at Tigrim Health Centre II	77,300,761	2
Total/Average		**97,041,261**	**2**

ii. Lack of evidence of invitation of bidders

Regulation 51(c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires an Entity to invite shortlisted bidders to submit bids. However, a review of the procurement for the completion of Twin Staff House Phase II at Tigrim HC II, worth UGX 77,300,000, found no evidence that the shortlisted bidders, including Mokoyo Investments Co. Ltd, Reberon Investments Company Ltd, Bakasuku Agencies Ltd, and Bethel Contractors Company Ltd, had been invited to bid, despite their approval for shortlisting by the Contracts Committee.

Implications

- Without proof of receipt of invitation, the Authority could not ascertain whether all shortlisted bidders had been invited; this may lead to low bidder participation.
- The absence of competition may lead to procurement at non-competitive prices, exposing the Entity to the risk of paying higher prices than the prevailing market rates and consequently resulting in loss of public funds.

Management Response

The Entity invited at least six bidders for the two procurements, as evidenced by the invitation records. The invitations were transmitted via WhatsApp to expedite the procurement process; however, the corresponding messages are no longer available for verification. Management has taken note of the Authority's recommendation and will henceforth issue invitations to shortlisted providers by email to ensure ease of retrieval. In addition, the Entity commits to maintaining a register in which invited bidders acknowledge receipt of invitation documents by signing upon collection.

Authority's comment

The Authority noted Management's response. However, the lack of verifiable evidence that all shortlisted bidders were invited limits assurance that they were afforded an equal opportunity to participate in the procurement process. The Authority therefore reiterates the need for the Entity to maintain adequate records of invitations issued to bidders.

Recommendations

The Accounting Officer should:

1. Put in place controls aimed at ascertaining that all bidders shortlisted for a particular procurement are formally invited in accordance with Regulation 51 (c) of the PPDA (Rules

and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Such measures may include issuing invitations through official company email addresses.

2. Organise supplier forums to conduct training and also get feedback from bidders on factors that may be hindering competition and get appropriate remedies to boost competition in the Entity in accordance with Section 49 of the PPDA Act, Cap. 205.

2.1.4 Use of the budgeted amount rather than prevailing market prices in procurement estimation. Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires procurement estimates to be based on an objective assessment of prevailing market conditions. However, the Authority noted that for the construction of the Kapchorwa Municipal Council Administration Block Phase I, the Entity determined the procurement estimate based on the available budget of UGX 300,000,000 rather than on prevailing market prices. Consequently, all responsive bidders quoted amounts substantially above the estimated procurement value, indicating that the estimate did not reflect actual market conditions. Details are provided in Table 6 below:

Table 6: Bidders that made it to the financial stage and quoted much higher than the proposed market price

No	Bidder	Quotation (UGX)
1.	Bianca Investments Ltd	1,063,864,872
2.	Afuga Infrastructural Services Ltd	765,961,677
3.	Link Investments Limited	553,482,363
Average		**794,436,304**

Implication

This exposes the Entity to the risk of failed procurement, delayed service delivery, repeated procurement processes, and increased administrative costs arising from re-tendering or contract variations.

Management Response

The Entity has taken note of the concerns raised regarding the above contract and wishes to provide the following clarification:

- *Prior to the commencement of the contract, the Entity engaged Biyo Engineering Ltd as a consultant at a cost of UGX 10,000,000 to prepare the designs, drawings, specifications, and Bills of Quantities (BOQs). The consultant estimated the total project cost at UGX 7,181,225,197, with Phase I at approximately UGX 800,000,000. This explains why the bid prices submitted by contractors ranged between UGX 553,482,363 and UGX 1,000,000,000.*
- *Following the initial cost estimates, the Bills of Quantities were reviewed and adjusted to align with the available budget provision of UGX 300,000,000.*
- *Management acknowledges the need for improvement and commits to seeking technical guidance from qualified consultants during the planning and procurement process to ensure that project estimates and procurement requirements are appropriately aligned with the available funding.*

Authority's comment

The Entity's response confirms that the original market assessment estimated Phase I of the project at approximately UGX 800,000,000. However, the procurement was subsequently planned and advertised against the available budget of UGX 300,000,000. This indicates that the estimated procurement value was set based on available funding rather than on an objective assessment of prevailing market prices, as required under Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Consequently, the procurement was initiated with an unrealistically low estimate, resulting in all responsive bidders quoting substantially above the planned procurement value.

Recommendations

1. The Accounting Officer should ensure that the assessed market price is based on prevailing market conditions rather than on the available budget, in accordance with Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. Where the assessed market price exceeds the available budget, the Entity should appropriately re-scope the requirement or adopt a phased implementation approach, supported by a multi-year procurement plan and budget framework, in accordance with Section 60(6) of the PPDA Act, Cap. 205, and Regulation 4(1)(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.5 Irregularities at bid evaluation

Regulations 5(1) and (2) of the PPDA (Evaluation) Regulations, 2023 require the Head of the Procurement and Disposal Unit to confirm that Evaluation Committees strictly adhere to the evaluation criteria set out in the solicitation documents. However, the Authority noted that in four procurements worth UGX 428,822,756, the Evaluation Committees failed to adhere to the bid evaluation criteria set out in the bidding documents. The Authority also noted that, contrary to Regulation 21(5) of the PPDA (Evaluation) Regulations, 2023, which requires the best evaluated bid to be the lowest-priced bid that is eligible and administratively compliant with the technical requirements specified in the bidding document, the Entity awarded contracts to bidders that had submitted higher quotations during financial evaluation in two procurements worth UGX 105,571,661. Details are provided in Table 7 below:

Table 7: Procurements for which irregularities at evaluation were noted

No.	Subject of the procurement	Contracts Value (UGX)	Observation
1.	Renovation of 2 classroom blocks and an office at Kapleko P/S	23,251,095	The Best Evaluated Bidder, Tesla Associates Ltd, was non-compliant with the following requirements: • Failure to provide evidence of an Environmental Personnel possessing a minimum of a Bachelor's degree in an environmental-related field and at least five years' relevant experience. • Failure to submit proof of a qualified Social Safeguards Personnel with a minimum of a Bachelor's degree in Social Sciences and at least five years' experience in implementing social safeguard practices, contrary to the stated requirements. • Failure to furnish evidence of an Electrical Works Foreman holding at least a minimum qualification of an Ordinary Diploma in Electrical Engineering, as prescribed in the solicitation document.

No.	Subject of the procurement	Contracts Value (UGX)	Observation
	Management response *The Entity undertakes to ensure that, in future, the Evaluation Committee strictly verifies that all key personnel proposed by bidders possess and provide the required qualifications and supporting documents as stipulated in the bidding documents.*		
2.	Construction of Kapchorwa Municipal Council Administration Block Phase 1	300,000,000	**Delayed evaluation of bids.** The bid closing took place on 8^{th} August 2024; however, the evaluation process, including post-qualification, was concluded only on 22^{nd} November 2024, a delay of 74 working days beyond the maximum prescribed period of 15 working days.
	Management response *Management notes the observation on delays in bid evaluation, which were mainly due to the competing work schedules of the responsible officers. Going forward, Management commits to ensuring that all bid evaluations are completed within the stipulated periods*		
3.	Construction of 5 stances lined pit latrine at Kaptul P/S	28,270,900	**Unfairness in evaluation.** The Authority noted that, although Tesla Associates Limited had quoted the lowest price during the financial evaluation (UGX 28,022,760), they were denied the contract in favour of Chemist Associates Limited (UGX 28,270,000) because they had already been awarded another contract for the renovation of 2 classrooms at Kapeleko p/S. However, this requirement was not part of the evaluation criteria.
4.	Completion of a twin staff house at Tigrim HII	77,300,761	• **Unfairness in financial evaluation.** The contract was awarded to the second-Best Evaluated Bidder (Tegeres Hardware Ltd) at UGX 77,300,761, yet Chemist Associates Limited had quoted UGX 76,724,475, and both bidders made it to the financial evaluation. • The BEB was not compliant with the requirement for the following technical personnel, including the construction contract manager, civil engineer, environmental personnel, and site engineer.
	Management response *Management acknowledges the observation and notes that the decision to award the contract to the second-best bidder was influenced by a perception of fairness relating to the distribution of contracts among bidders. However, Management recognises that this approach was inconsistent with the evaluation criteria and applicable procurement regulations. Management commits that in future, all evaluation and award decisions will strictly adhere to the predefined criteria, and any limitation on award quantities per bidder will be explicitly provided for in the solicitation documents*		
Total		**428,822,756**	

Implications

- Delayed evaluations hinder the timely delivery of services.
- This is an indicator that members of the Evaluation Committee may have had unethical tendencies or may have lacked adequate capacity to review bids, which could have compromised fairness and transparency in the evaluation process.

Recommendations

1. The Head Procurement and Disposal Unit should ensure that Evaluation Committees strictly adhere to the evaluation criteria set out in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5(1) and (2) of the PPDA (Evaluation) Regulations, 2023.
2. Evaluation Committees should complete bid evaluations within the timeframes prescribed by Regulation 4 of the PPDA (Evaluation) Regulations, 2023, unless an extension has been granted by the Accounting Officer.
3. Where the Entity intends to limit the number of contracts that may be awarded to a single bidder in a procurement process, such limitations should be clearly specified in the solicitation documents and incorporated into the evaluation and award criteria in accordance with Section 76 (2) of the PPDA Act, Cap. 205.

2.1.6 Approval of poor-quality solicitation documents by the Contracts Committee

Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires the Contracts Committee to ensure that bidding documents are thoroughly scrutinised for adequacy, completeness, and quality before approval. However, the Authority noted unclear evaluation criteria in two procurements worth UGX 377,300,761, as detailed in Table 8 below:

Table 8: Procurements where inadequate solicitation documents were prepared

S/No	Subject of Procurement	Contract amount (UGX)	Observations
1.	Construction of Kapchorwa Municipal Council Administrative Block Phase1	300,000,000	The Authority noted that, whereas post-qualification was carried out on the BEB, the post-qualification criteria was not stipulated in the bidding documents. This included the required experience, financial capacity, pending litigation, and history of non-performance of contracts.
	Management response *I take the Authority's advice, and I promise that in future, post-qualification criteria shall always be included in the bidding documents*		
2.	Completion of twin staff house phase II at Tigrim HC II	77,300,761	The qualification form detailing key evaluation criteria, such as financial capacity, prior experience, and technical capability, was not clearly specified.
	Management response *This is noted.*		
Total		**377,300,761**	

Implication

Inadequate solicitation documents mislead providers, leading to non-responsive bids, causing challenges during evaluation and contract implementation, deterring competition, and potentially resulting in the contracting of incompetent providers.

Recommendation
The Contracts Committee should scrutinise the bidding documents for quality before approval in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP 205 AND THE PPDA (DISPOSAL OF PUBLIC ASSETS) REGULATIONS, 2023

2.2.1 Failure to conduct disposal
Regulation 3(2) of the PPDA (Disposal of Public Assets) Regulations, 2023, states that "*A User Department may initiate a process for disposal of public assets where the board of survey of the Entity recommends the disposal of a public asset*". Although the board of survey report for Financial Year 2023/2024 recommended several items for disposal, the Entity did not put in place any mechanism to initiate the disposal process, ensuring these items were disposed of. This was attributed to laxity by the Entity Management. The items for disposal included: a power saver, a stapler, a punching machine, an extension cable, a stamp, 2 motorcycles, a desktop computer, an HP laptop and a CPU.

Implication
Failure to dispose of assets inhibits the achievement of value for money, as funds are tied up in assets and the assets are exposed to theft and further depreciation.

Management Response
Management accepts this observation and commits to strengthening compliance with disposal requirements. I will follow up with all departments holding obsolete and unserviceable assets to ensure that disposal needs are promptly identified and that the disposal process is initiated and completed in accordance with applicable PPDA laws and regulations.

Recommendation
The Accounting Officer should ensure that the items for disposal are promptly disposed of in accordance with the appropriate disposal methods set out in Part II of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Delayed completion of works
Regulation 52(3)(a)(vi) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure that all contractual obligations are completed before the contract expires. However, the Authority noted delays in the completion of two projects worth UGX 105,571,661, with the projects being completed an average of 69 days after the contractual completion dates. Details are provided in Table 9 below:

Table 9: Showing projects whose execution was delayed

No	Subject of Procurement	Contract Amount (UGX)	Observation
1.	Construction of 5 stances VIP latrine at Kaptul P/S West Division	28,270,900	Delayed completion. The intended completion date was 17th March 2025, but

No	Subject of Procurement	Contract Amount (UGX)	Observation
			actual was on 29th May 2025, a delay of 73 days.
2.	Completion of a twin staff house at Tigrim Health Centre II	77,300,761	The intended completion date was 17th March 2025, but actual completion was on 20th May 2025, a delay of 64 days
Total		**105,571,661**	

Implications

- Delayed contractual completion results in delayed service delivery and failure to attain value for money.
- Prolonged project completion results in the commitment of more resources in terms of staff and time to projects that would have otherwise been completed.

Management Response

Management acknowledged the observation and committed to strengthening project supervision to ensure compliance with contractual obligations and the timely completion of works. Contractors will also be encouraged to seek contract extensions promptly whenever delays are anticipated.

Recommendation

The Accounting Officer should direct contract managers to provide close supervision of ongoing works and to enforce the timely completion of projects, in accordance with Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023, to avoid delays in service delivery and the escalation of administrative and contract management costs.

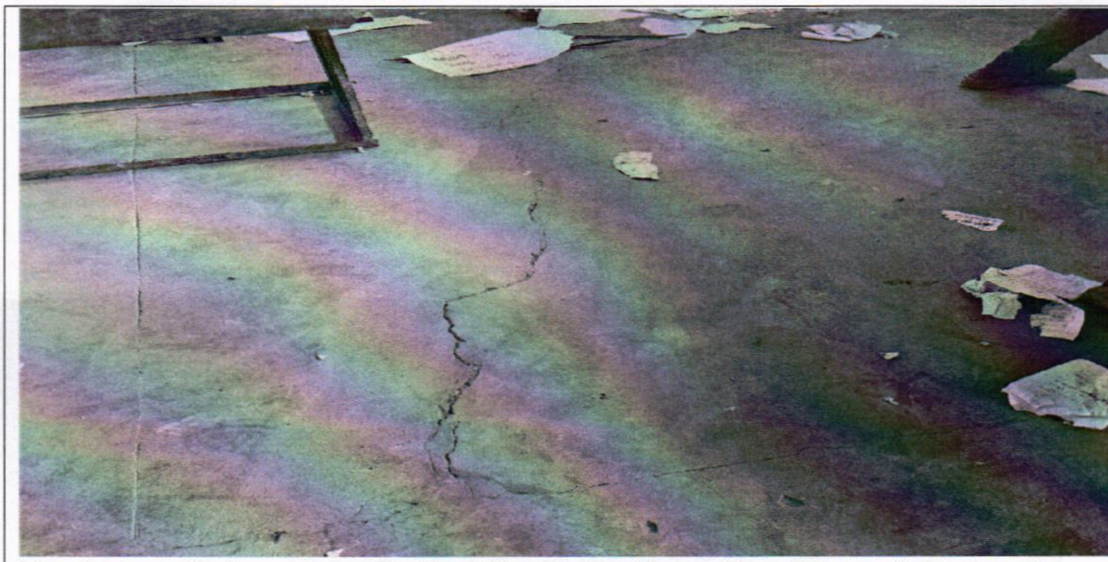
2.3.2 Project defects

Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

The Authority carried out physical verification of four procurement transactions worth UGX 96,700,385 and observed that three of the sampled procurements, worth UGX 73,449,790, had developed significant cracks on the floors and another lacked a drainage pipe, indicating possible deficiencies in workmanship and/or quality of materials used. Details are provided in Table 10 below

Table 10: Findings at physical verification

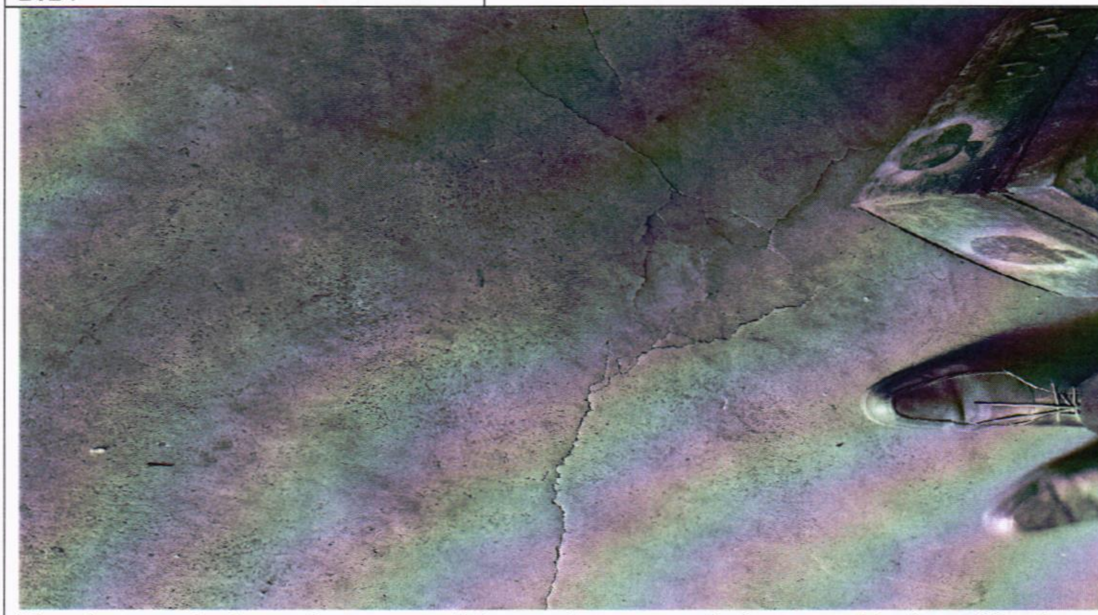
Subject: Renovation of 2 classrooms and office at Siron Primary School **Contractor**: Chemuron Holdings Ltd Contract Date: 11th/12/2024 **Contract value:** UGX 25,000,000 **Intended completion:** 18th August 2025	• The floor had developed major cracks in the Head Teacher's Office. • Cracks on the wall near the ceiling on both sides of the wall, indicating that it is a structural crack



The photograph above shows the Head Teacher's office at Siron Primary School as observed on 28th April 2026. Major cracks were observed on the floor, as indicated in the image above.

Subject of Procurement	Issues Noted at Physical Verification
Subject: Construction of 5 stances VIP latrine at Elgon Primary School **Contractor**: Tegres Hardware Ltd Contract Date: 11th/12/2024 **Contract value:** UGX 28,709,290 **Intended completion:** 11th December 2024	There was no pipe to guide the drainage water to the soak pit

The photograph above shows the 5-stance VIP latrine at Elgon Primary School. Physical verification established that no pipe had been provided to direct drainage water to the soak pit, as indicated in the image above.

Subject of Procurement	Issues noted at physical verification
Subject: Renovation of 2 classroom blocks at Kapchorwa P/S **Contractor**: Kasko Enterprises Ltd Contract Date: 17th/12/2024 **Contract value:** UGX 19,740,500 **Intended completion:** 17th December 2024	Major cracks were noted in the floor of the classroom block
 The photograph above shows one of the newly renovated classroom blocks at Kapchorwa P/S as observed on 28th April 2026. Cracks had developed on the floor, as indicated in the image.	

Implication

Failure to execute works in accordance with agreed contractual terms inhibits the attainment of value for money and exposes the Government to the risk of financial loss due to non-performance or unsatisfactory performance of a contract.

Management Responses

- *Management stated that the contracts are still within the defect liability period and that the contractor shall be instructed to correct defects before the retention funds are paid.*
- *Management has also noted that the soils around this school are clay-based and continue to contract during dry spells, causing major cracks in the infrastructure installed at the school. This may require a different approach in future, such as installing ground beams.*

Recommendation

The Accounting Officer should:

1. Task Contract Management teams to closely monitor contractors in the performance of contracts as per the terms and conditions specified in the Contract in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023. All identified issues should be addressed immediately, and a status given to the Authority within four months of receipt of this report.
2. Ensure that, before undertaking future construction and renovation works in areas with known expansive clay soils, appropriate technical assessments are conducted, and the resulting designs incorporate suitable mitigation measures such as ground beams,

reinforced foundations, proper compaction, and other soil stabilisation interventions. This will help minimise structural defects, enhance the durability of infrastructure, and ensure value for money from public investments in line with Regulation 3 (3) (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Conclusion

The performance of Kapchorwa Municipal Council for the Financial Year 2024/2025 was **Moderately Satisfactory** with overall weighted average risk rating of **40%.**

3.2 Entity's Performance

The risk rating was weighted to determine the Entity's overall risk level. The weighting was derived using the average weighted index as shown in Table 11 below:

Table 11: Summary of performance of Kapchorwa Municipal Council

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	3	27	30,571,661	16	1	16	10
Medium	3	27	342,991,095	42	0.6	8	13
Low	1	9	28,709,290	4	0.3	1	0
Satisfactory	4	36	306,209,999	38	0	0	0
Total	**11**	**100**	**808,482,045**	**100**	**1**	**25**	**23**

Weighted Average (By no.) $= \frac{\sum \text{Weighted Score}}{60} \text{ X } 100 = \frac{25}{60} \text{ X } 100 = 42\%$

Weighted Average (By Value) $= \frac{\sum \text{Weighted Score}}{60} \text{ X } 100 = \frac{23}{60} \text{ X } 100 = 38\%$

The average weighted risk rating $= \frac{42 + 38}{2} = \mathbf{40}$

Since 40% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 12 below:

Table 12: The risk rating is as follows:

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

3.3 Chart representation of risk rating

Figure 1: Chart Representation of Risk Rating by Value

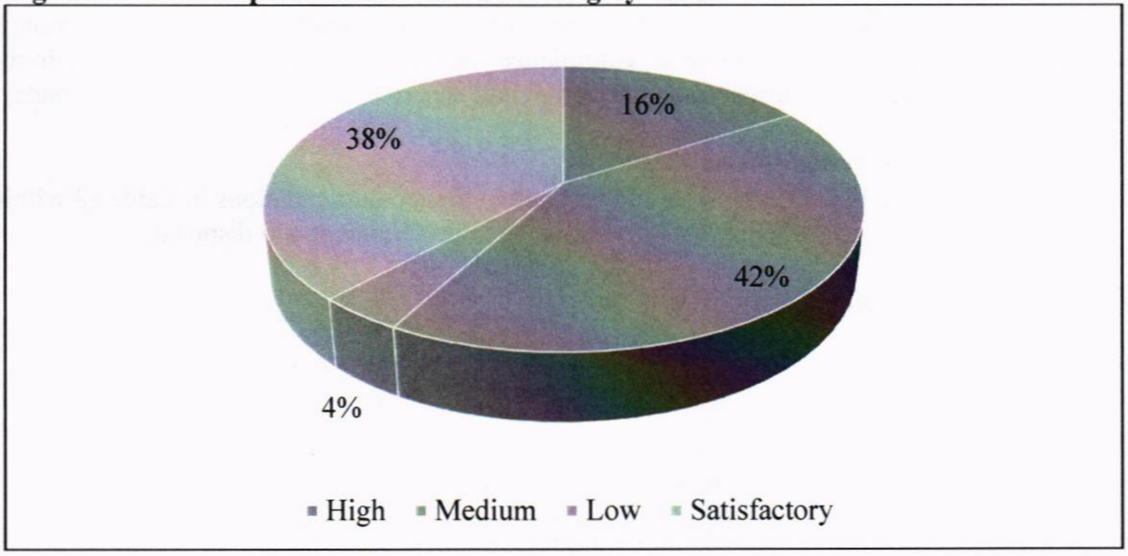
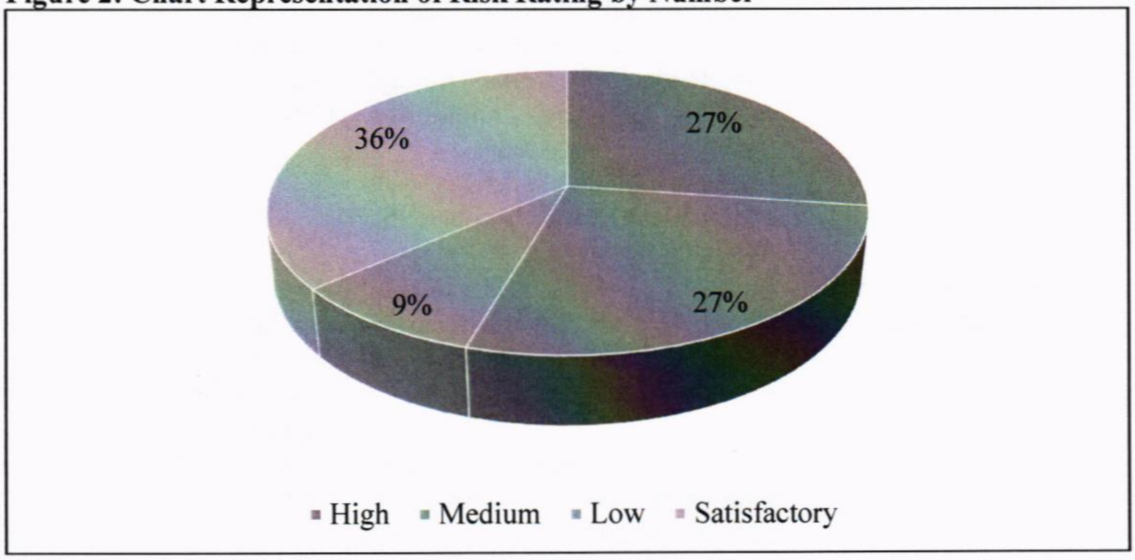


Figure 2: Chart Representation of Risk Rating by Number



3.4 Inspection opinion/conclusion

The inspection established that although the Entity had fully staffed procurement structures, significant weaknesses remained in governance, oversight, and compliance with procurement and disposal requirements. The Authority noted that a substantial proportion of recommendations from the previous inspection had not been fully implemented. In addition, weaknesses were observed in procurement planning, bid evaluation, the preparation and approval of solicitation documents, disposal of obsolete assets and contract management.

Although the weaknesses identified did not fundamentally compromise the overall integrity of the procurement and disposal system, they were significant and indicative of persistent shortcomings in the operation of the Entity's procurement and disposal system and processes. If left unaddressed, these deficiencies may adversely affect service delivery, limit competition, erode value for money, increase exposure to procurement and contract management risks, and ultimately undermine the Entity's ability to achieve its intended development objectives.

Accordingly, the performance of Kapchorwa Municipal Council for Financial Year 2024/25 is assessed as **Moderately Satisfactory,** with an overall weighted average risk rating of **40%.** However, the identified weaknesses require focused management interventions to strengthen governance and oversight, improve compliance with procurement and disposal requirements, enhance the quality of procurement processes and ensure timely completion of contracts.

3.5 Recommended Action Plan

Kapchorwa Municipal Council should implement the recommendations in Table 13 within the specified timeframe to improve its performance in procurement and disposal.

Table 13: Recommended Action Plan

Finding	Action/Recommendation	Responsible Officer	Timeline
Failure to implement previous recommendations	Designating an officer or committee to monitor implementation status and report progress to Top Management.	Accounting Officer	Within 30 days
Failure to dispose of obsolete assets	Initiate and complete the disposal of obsolete assets recommended by the Board of Survey	Heads of User Departments/ Head PDU	Within 90 days
Delayed completion of contracts	Strengthen supervision of ongoing contracts and enforce timely completion of works through regular progress monitoring, timely resolution of implementation challenges, and enforcement of contractual obligations.	Contract Managers/ Accounting Officer	Ongoing
Irregularities during bid evaluation	Ensure that Evaluation Committees strictly adhere to the evaluation criteria specified in solicitation documents	Head Procurement and Disposal Unit/Evaluation Committees	Ongoing
Poor quality of solicitation documents	Scrutinise bidding documents thoroughly before approval to confirm adequacy, completeness and clarity of evaluation criteria	Contracts Committee	Ongoing

ANNEXES

Annex 1: Risk Rating Per Case

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	**Subject of procurement**: Renovation of 2 classrooms and office at Siron Primary School **Reference number:** KMC710/Wrks/24-25/00010 **Procurement method**: Restricted domestic bidding Contract Value: UGX 25,000,000 **Contractor**: Chemuron Holdings Ltd **Contract date:** 18th /10/2024	**Physical verification defects** • Floor had developed major structural cracks in the Head Teachers Office. • Cracks on the wall near the ceiling on both sides of the wall, indicating that it is a structural crack
2.	**Reference:** Kmc/710/Wrks/24-25/000074 **Subject**: Construction of 5 stances lined pit latrine at Kaptul P/S **Method:** Restricted National bidding **Contractor:** Chemisto Associates Ltd **Contract Amount:** 28,270,900	**Unfairness at evaluation.** The Authority noted that whereas, Tesla Associates Limited had quoted the lowest price at financial evaluation (28,022,760), they were denied the contract in favour of chemist associates limited (28,270,000) because they had already been awarded another contract for renovation of 2 classrooms at Kapeleko p/S. However, this requirement was not part of the evaluation c **Signing contract above the market price.** the estimated cost of the project was UGX 20,000,000 while the contract was signed at UGX 28,270,900, criteria.
3.	**References** MOH/SUPLS/24-25/00023 **Subject:** Completion of twin staff House at Tigrim HCII **Method:** Restricted National bidding **Contractor:** Tegeres hardware Ltd **Contract Amount:** 77,300,761	**Unfairness at financial evaluation.** The contract was awarded to the second-best evaluated bidder (Tegeres hardware Ltd) at UGX 77,300,761 yet chemist associates limited had quoted UGX 76,724,475 and both bidders made it to financial evaluation. This caused a Financial Loss of UGX 576,286. **Delayed completion.** The intended completion date was 17th March 2025 but actual completion was on 20th May 2025, a delay of 64 days. **Inadequate evaluation criteria.** The qualification form that details evaluation criteria like financial capacity, experience among others was not completed. **Low bidder participation and lack of evidence of invitation of bidders**

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	**Subject of procurement**: Renovation of two classroom block at Kapchorwa P/S **Reference No:** Kmc710/Wrks/24-25/00011	**Bidding** Low bidder participation as only 2 firms returned their bid. Chemisto Associates Ltd and Kasko Enterprises Ltd. **Physical verification**

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Procurement method: Restricted National bidding **Contractor**: Kasko Enterprises Ltd **Contract value:** UGX. 19,740,500 **Contract date:** 11/12/2024 **Contract Start date:** 17/12/2024 **Completion date:** 17/3/2025 **Defects liability period:**	Cracks were noted on the floor of the classroom block
2.	**Reference:** Kmc/710/Wrks/24-25/0004 **Subject:** Construction of Kapchowra Municipal Council Administration Block Phase 1 **Method:** Open National bidding **Contractor:** Link Investments Ltd **Contract Amount:** 300,000,000	**Poor market price assessment.** in the construction of Kapchorwa Municipal Council Administration Block Phase 1 worth UGX 300,000,000, the Authority noted that all three bidders that made it to financial stage quoted significantly higher than the proposed market price of UGX 300,000,000. **Delayed evaluation of bids.** Bid closing took place on 8th August 2024, however, the evaluation process, including post-qualification, was only concluded on 22nd November 2024, a delay of 74 working days beyond the maximum prescribed period of 15 working days.
3.	**Subject of procurement**: Renovation of 2 classroom block and office at Kapleko P/S **Reference No:** Kmc710/Wrks/24-25/00012 **Procurement method**: Restricted National bidding **Contractor**: Tesla Associates Ltd **Contract value:** UGX. 23,251,095 **Contract date:**11/12/2024 **Completion date:** 17/3/2025 **Defects liability period:** 180 days	**Evaluation** • Tesla Associates Ltd (BEB) did not attach evidence of an Environmental Personnel with a minimum of a Bachelor's degree in Environmental related field posing with specific experience of 5 years as a requirement. • Tesla Associates Ltd (BEB) did not attach evidence of an Social safeguards personnel with a minimum of a Bachelor's degree in Social Sciences with at least 5 years' experience in implementing Social safeguard practices as a requirement. • Tesla Associates Ltd (BEB) did not attach evidence of an Electrical Works Foreman with a minimum of an Ordinary Diploma in Electrical Engineering.

No	LOW RISK	REASONS FOR LOW RISK
1.	**Subject of procurement**: Physical Development Plan **Reference number:** KMC710/Srvcs/24-25/00010 **Procurement method**: Restricted national bidding **Contractor**: Subamu Investments Ltd **Contract value:** 120,000,000	

	Contract date: 19th /12/2024 **Completion date:** 18/03/2025 **Defects liability period:** 180 days	

No	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1.	**Subject of procurement**: Supply and delivery of medical equipment for Kaploko Health Centre 3 Lot 8 **Reference number:** KMC710/Srvcs/24-25/00023 **Procurement method**: Open domestic bidding Contract Value: UGX 142,500,000 **Contractor**: MSM Company Ltd **Contract date:** 28th /01/2024	No exceptions noted
2.	**Subject of procurement:** Construction of 4 stances VIP latrine, Urinal and changing rooms at Tegres HC3 **Reference number:** KMC710/Wrks/24-25/00006 **Procurement method:** Restricted national bidding **Contractor:** Philaro Services Ltd **Contract value:** 28,709,290 **Contract date:** 11/12/2024 **Completion date:** 18/03/2025 **Defects liability period:** 180 days	No exceptions noted
3.	**Subject of procurement**: Construction of 5 stances VIP latrine at Elgon P/S **Reference number:** KMC710/Wrks/24-25/00008 **Procurement method**: Restricted national bidding **Contractor**: Tegres hardware Ltd **Contract value:** 28,709,290 **Contract date:** 11/12/2024 **Completion date:** 18/03/2025 **Defects liability period:** 180 days	No exceptions noted
4.	**Subject:** Supply of fuel under framework **Method of procurement**: Open national bidding **Contractor:** Stabex and Fahab Energies Ltd **Contract Amount:** 15,000,000 **Completed**	No exceptions noted

Annex 2: Transaction list and rating per case

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk rating
1.	KME/710/WRKS/24-25/00011	Renovation of the 2-classroom blocks at Kapchorwa P/S	Restricted Domestic Bidding	Kasko Enterprises Ltd	19,740,000	Medium
2.	KME/710/WRKS/24-25/000012	Renovation of 2 classroom blocks and an office at Kapleko Primary School	Restricted Domestic Bidding	Tesla Associates Ltd	23,251,095	Medium
3.	KMC/710/WRKS/24-25/00006	Construction of 4 stances VIP latrine, urinal and changing rooms at Tegres HC 3	Restricted Domestic Bidding	Philaro Services Ltd	28,709,999	Satisfactory
4.	KMC/710/WRKS/24-25/00008	Construction of 5 stances VIP latrine at Elgon Primary School	Restricted Domestic Bidding	Tegres Hardware Ltd	28,709,290	Low
5.	KMC/710/SRVCS/24-25/000010	Physical Development Plan	Restricted Domestic Bidding	Subamu Investments Ltd	120,000,000	Satisfactory
6.	KMC/710/SUPLS/24-5/00006	Supply of fuel under the framework	Open Domestic Bidding	Stabex and Fahab Energies Ltd	15,000,000	Satisfactory
7.	KMC/710/WRKS/24-25/00012	Renovation of 2 classrooms and an office at Siron Primary School	Restricted Domestic Bidding	Chemuron Holdings Ltd	25,000,000	High
8.	KMC/710/SUPLS/24-25/00008	Supply and delivery of medical equipment for Kaplako Health Centre Lot 8	Open Domestic bidding	Msm Company Ltd	142,500,000	Satisfactory
9.	KMC/710/WRKS/24-25/0004	Construction of Kapchowra Municipal Council Administration Block Phase 1	Open Domestic Bidding	Link Investments Ltd	300,000,000	Medium
10.	KMC/710/WRKS/24-25/000074	Construction of 5 stances lined pit latrine at Kaptul P/S	Restricted Domestic bidding	Chemisto Associates Ltd	28,270,900	High
11.	MOH/SPLS/24-25/00023	Completion of the twin staff House at Tigrim HCII	Restricted Domestic Bidding	Tegeres Hardware Ltd	77,300,761	High
	TOTAL				**808,482,045**	

Annex 3: : Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	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
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing	**Planning:** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		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.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.