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V1: Vote Overview

I. Vote Mission Statement

"To promote the achievement of value for money in public procurement so as to contribute to national development."

II. Strategic Objective

1. To ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices.
2. To harmonize the procurement and disposal policies, systems and practices of the Central Government, Local Governments and statutory bodies.
3. To set standards for the public procurement and disposal systems in Uganda.
4. To monitor compliance of procuring and disposing entities.
5. To build procurement and disposal capacity in Uganda.

III. Major Achievements in 2017/18

In the period July 2017 - December 2017, the Authority carried out a number of activities aimed at fulfilling its mandate as highlighted below:

- i. The Authority issued 47 audit reports during the period under review targeting poor performing and high risk Entities across the country; These include 11 gender and equity responsive procurement and disposal audits conducted in partnership with the Governance, Accountability, Participation and Performance Program of USAID. The performance by value of contracts was as follows; UGX 339 Billion, (16.6%) were highly satisfactory, UGX 1 Trillion (55.6%) were satisfactory, UGX 560 Billion (27.6%) were unsatisfactory while UGX 4.9 Billion (0.2%) were highly unsatisfactory. The findings also revealed that average lead time taken to complete the procurement cycle with open domestic bidding method is 160 days which is still above the indicative timelines of 110 days.
- ii. 34 investigations into mismanagement of procurement and disposal processes were completed. The investigations revealed the existence of segregation among bidders non-adherence to the evaluation criteria in the bidding document, the Evaluation Committee introducing new criteria during the evaluation, failure by bidders to meet requirements in the bidding document, failure by complainants to provide evidence to justify allegations.
- iii. 28 applications for administrative review were handled by the Authority. These resulted from bidders who were not satisfied with the results of the evaluation process to enforce fairness and transparency of the process. Out of these, 1 referred to investigation, 12 applications were upheld and 15 applications were rejected. The reviews handled were due to bidders' dissatisfaction with the evaluation process, failure to avail information as stipulated under the law and customization of bidding documents without authorization from the Authority.
- iv. The Authority handled five (5) applications, one reference and a taxation of a bill of costs before the PPDA Appeals Tribunal. Three of the applications were decided in favour of the Authority and two of the applications were upheld by the Tribunal.
- v. The average number of bids received for all procurements irrespective of which method was used was 3.65 bids per procurement with micro procurement having the most number of bids followed by request for quotations. In domestic open bidding, the average number of bids that was received per procurement were 6.1 bids .
- vi. The Authority reviewed the reservation guidelines aimed at enhancing the participation of local providers and the disadvantaged groups in public procurement which in turn will provide employment opportunities to Ugandans, provide market to local raw materials, promote technology transfer thereby promoting national development.
- vii. The proportion of contracts that have been awarded through open competition in second quarter are 50.7% (UGX 198,323,173,082) by value and 5.5% (2599) contracts) by number.
- viii. The local providers were awarded 99.84% (2595) of contracts by number and 97.56% (UGX 193,494,138,052) by value.
- ix. Submission of Procurement Plans and Reports: 8.6% (31) of the central government PDEs have not submitted their procurement plans whereas 4.4% (16) Local Government Entities have not submitted their procurement plans to date.

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x. The Authority handled 13 applications for accreditation during the period under consideration. 4 are still under consideration and 9 were granted.

xi. During the period, the Authority handled 74 recommendations for suspension, out of these 72 were carried forward from the previous financial years and 2 were new recommendations. Out of the 74 cases, 9 firms were suspended, 6 were not suspended, 3 were referred to CIID for further investigation, 1 was deferred pending outcome of the court case and 55 cases are still under investigation. The major grounds for recommendations for suspensions are sub-standard works and forgery of documents (i.e. completion certificates, income tax clearance, Bid guarantee, Bid security, Powers of Attorney and RoP certificates).

xii. 1,934 providers were registered, of these 948 are new registrations while 986 providers renewed their subscriptions. UGX 214,533,897 was generated from the Register of Providers.

xiii. The electronic government procurement project unit was set up with a project manager and a procurement systems analyst. The contract with the vendor was signed and the vendor has embarked on the work to design the e- procurement solution. Electronic procurement is expected to reduce procurement lead times, promote competition and reduce human interface in public procurement thereby reducing corruption.

xiv. The Authority conducted training under supply and demand driven arrangements targeting different stakeholders bringing the total number of participants trained to 1025 (674 males and 351 females). Trainings conducted in the period included: training of contracts committee members; training of bidders including SMES owned by youth and women, training of CSOs, sector specific skilling of technical staff and demand driven trainings.

xv. The 10th East African Public Procurement Forum was hosted by the Authority under the theme "Leveraging Technology for Improved Procurement Outcomes". The 10th EAPF was attended by 250 (146 males and 104 females) delegates from Uganda, Rwanda, Burundi, Tanzania, Malawi and Sierra Leone.

xvi. The Construction of the PPDA- URF block commenced with the ground breaking ceremony. The project site was handed over to the contractor and site clearing has been completed to pave way for construction of a modern Office block designed with access for People with disabilities.

IV. Medium Term Plans

In the medium term, the Authority intends to implement the following:

i. Pilot the e- procurement system to 10 Entities in order solve the limitations of the manual based procurement system.

ii. Promote the use of the e- learning system in capacity building interventions to increase the coverage and cost efficiency of capacity building interventions.

iii. Monitoring the use of the government procurement portal which improves; transparency of the procurement process and provides real time information of the status of the procurement process.

iv. Capacity building interventions targeting newly recruited procurement cadre, high risk and the worst performing Entities.

v. Conducting research into problematic areas in public procurement like force on account mechanism, participation in public procurement etc in order to come up with evidence based solutions.

vi. Fast tracking the amendment of the PPDA Act and regulations to address the challenges of the existing procurement legal framework.

vii. Work with the Civil Society Organizations in contract monitoring in order to improve management of public procurement contracts.

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V. Summary of Past Performance and Medium Term Budget Allocations

Table 5.1: Overview of Vote Expenditures (US\$ Billion)

	2016/17 Outturn	2017/18		2018/19	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec		2019/20	2020/21	2021/22	2022/23	
Recurrent									
Wage	5.784	6.550	3.152	6.969	7.665	8.049	8.451	8.874	
Non Wage	4.807	4.518	1.749	5.694	6.947	7.989	9.587	11.504	
Devt.									
GoU	0.469	2.320	0.000	6.394	7.801	9.361	9.361	9.361	
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
GoU Total	11.060	13.387	4.901	19.057	22.413	25.398	27.399	29.739	
Total GoU+Ext Fin (MTEF)	11.060	13.387	4.901	19.057	22.413	25.398	27.399	29.739	
Arrears	0.000	0.016	0.011	0.000	0.000	0.000	0.000	0.000	
Total Budget	11.060	13.403	4.912	19.057	22.413	25.398	27.399	29.739	
A.I.A Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Grand Total	11.060	13.403	4.912	19.057	22.413	25.398	27.399	29.739	
Total Vote Budget Excluding Arrears	11.060	13.387	4.901	19.057	22.413	25.398	27.399	29.739	

VI. Budget By Economic Classification

Table V6.1 2017/18 and 2018/19 Budget Allocations by Item

<i>Billion Uganda Shillings</i>	2017/18 Approved Budget				2018/19 Draft Estimates			
	GoU	Ext. Fin	AIA	Total	GoU	Ext. Fin	AIA	Total
Output Class : Outputs Provided	11.067	0.000	0.000	11.067	12.663	0.000	0.000	12.663
211 Wages and Salaries	6.915	0.000	0.000	6.915	7.420	0.000	0.000	7.420
212 Social Contributions	0.730	0.000	0.000	0.730	0.642	0.000	0.000	0.642
213 Other Employee Costs	1.541	0.000	0.000	1.541	1.524	0.000	0.000	1.524
221 General Expenses	0.521	0.000	0.000	0.521	0.907	0.000	0.000	0.907
222 Communications	0.174	0.000	0.000	0.174	0.146	0.000	0.000	0.146
223 Utility and Property Expenses	0.629	0.000	0.000	0.629	1.024	0.000	0.000	1.024
224 Supplies and Services	0.040	0.000	0.000	0.040	0.053	0.000	0.000	0.053
225 Professional Services	0.047	0.000	0.000	0.047	0.060	0.000	0.000	0.060
226 Insurances and Licenses	0.192	0.000	0.000	0.192	0.229	0.000	0.000	0.229
227 Travel and Transport	0.185	0.000	0.000	0.185	0.542	0.000	0.000	0.542
228 Maintenance	0.074	0.000	0.000	0.074	0.102	0.000	0.000	0.102
282 Miscellaneous Other Expenses	0.020	0.000	0.000	0.020	0.014	0.000	0.000	0.014
Output Class : Capital Purchases	2.320	0.000	0.000	2.320	6.394	0.000	0.000	6.394
281 Property expenses other than interest	0.000	0.000	0.000	0.000	0.450	0.000	0.000	0.450

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312 FIXED ASSETS	2.320	0.000	0.000	2.320	5.944	0.000	0.000	5.944
Output Class : Arrears	0.016	0.000	0.000	0.016	0.000	0.000	0.000	0.000
321 DOMESTIC	0.016	0.000	0.000	0.016	0.000	0.000	0.000	0.000
Grand Total :	13.403	0.000	0.000	13.403	19.057	0.000	0.000	19.057
Total excluding Arrears	13.387	0.000	0.000	13.387	19.057	0.000	0.000	19.057

VII. Budget By Programme And Subprogramme

Table V7.1: Past Expenditure Outturns and Medium Term Projections by Programme and SubProgramme

Billion Uganda shillings	FY 2016/17 Outturn	FY 2017/18		2018-19 Proposed Budget	Medium Term Projections			
		Approved Budget	Spent By End Dec		2019-20	2020-21	2021-22	2022-23
56 Regulation of the Procurement and Disposal System	11.060	13.403	4.912	19.057	22.413	25.398	27.399	29.739
01 Headquarters	10.591	11.083	4.912	12.663	14.612	16.038	18.038	20.378
1225 Support to PPDA	0.469	2.320	0.000	6.394	7.801	9.361	9.361	9.361
Total for the Vote	11.060	13.403	4.912	19.057	22.413	25.398	27.399	29.739
Total Excluding Arrears	11.060	13.387	4.901	19.057	22.413	25.398	27.399	29.739

VIII. Programme Performance and Medium Term Plans

Table V8.1: Programme Outcome and Outcome Indicators (Only applicable for FY 2018/19)

Programme :	56 Regulation of the Procurement and Disposal System
Programme Objective :	The Authority is mandated to regulate the procurement and disposal system in Uganda. The Strategic objectives of the Authority as spelt out in the 2014/15 - 2018/19 Strategic plan are i. Strengthening transparency and accountability in public procurement ii. Increasing competition and hence contributing to domestic industry development iii. Enhancing the efficiency of public procurement system iv. Strengthening contract management and performance v. Leveraging technology to improve procurement outcomes vi. Enhancing the performance of public procurement beyond compliance vii. Enhancing the effectiveness of capacity building, research and knowledge management viii. Strengthening the internal PPDA capacity to deliver improved performance of public procurement ix. Leveraging and enhancing partnerships and collaborations.
Responsible Officer:	Benson Turamye Ag. Executive Director.
Programme Outcome:	Improved procurement contract management and performance

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<i>Sector Outcomes contributed to by the Programme Outcome</i>			
1. Sustainable Macroeconomic Stability			
Outcome Indicators	Performance Targets		
	2018/19	2019/20	2020/21
	Target	Projection	Projection
• % of entities rated satisfactory from procurement audits	100%	100%	100%
• Proportion of contracts completed as per contractual time.	80%	80%	80%
Programme Outcome: Increased participation of local contractors in public procurement			
<i>Sector Outcomes contributed to by the Programme Outcome</i>			
N/A			
Outcome Indicators	Performance Targets		
	2018/19	2019/20	2020/21
	Target	Projection	Projection
N / A			
SubProgramme: 01 Headquarters			
<i>Output: 01 Performance Monitoring Directorate</i>			
Number of follow-ups undertaken on procurement audits and investigations recommendations	140	150	150
Number of procurement audits conducted	150	160	160
Number of procurement investigations conducted	80	80	90
Percentage of contracts by value rated satisfactory	100%	100%	100%
Proportion of procurement audits and investigation recommendations implemented	90	90	90
<i>Output: 02 Capacity Building and Advisory Services Directorate</i>			
Number of stakeholders trained	3000	3250	3500
<i>Output: 03 Legal and Investigations Directorate</i>			
Level of adherence to service standards (Number of MDAs inspected)	50	75	90
Number of entities rated satisfactory	70	80	90

IX. Major Capital Investments And Changes In Resource Allocation

Table 9.1: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2017/18		FY 2018/19
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Dec	Proposed Budget and Planned Outputs
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<i>Program : 14 56 Regulation of the Procurement and Disposal System</i>		
Development Project : 1225 Support to PPDA		

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Output: 14 56 72 Government Buildings and Administrative Infrastructure

Phased construction of the PPDA Home		Main project contractor (M/S Cementers was procured and contract was signed by the Joint PPDA/ URF Board.		Construction of Office block.
		Site handover to the contractor and site clearance		
Total Output Cost(Ushs Thousand)	1,900,000		0	5,900,000
Gou Dev't:	1,900,000		0	5,900,000
Ext Fin:	0		0	0
A.I.A:	0		0	0

X. Vote Challenges and Plans To Improve Performance

Vote Challenges

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- i. Poor Planning in Procurements: Entities are continuously failing to plan and cost procurements especially the big and complex projects and as a result they end up over or undervaluing procurements. This is caused by failure of Entities to clearly scope the proposed projects.
- ii. Delays in Evaluation of bids especially for High Value Contracts: There still exist challenges in the evaluation of procurements which stem from unethical conduct where evaluators disclose information unofficially which results into lengthy appeals that sometimes end up in courts of law. This unnecessarily lengthens the procurement process. The amendment of the PPDA Act should be able to solve some of these delays.
- iii. Weak Contract Management: Though big strides have been made in the post contracting stage, many procurements are mismanaged at the contract management stage where contract managers do not diligently carry out their duties and leave government projects at the mercy of the profit motivated contractors who end up doing substandard work. The Authority recommends that the Accounting Officers should prevail over User Departments to appoint contract supervisors/managers that should report any deviations from the terms and conditions of the signed contracts.
- iv. Manual Procurement System: As a regulator, the Authority is constrained by the inaccurate data and reports submitted by Entities due to the manual system. This has been worsened by failure to have easy access to the Integrated Financial Management System (IFMS) real time to verify accuracy of the data submitted by the Entities. The manual procurement process is furthermore prone to manipulation/bid tampering and inefficiencies in the process.
- v. Corruption and Unethical Practices: Public procurement is prone to corruption, particularly due to the high value transactions, complexity and close interaction between the public and private sector through the bidding processes. Evaluation of Bids persists to be perceived as the stage most susceptible to corruption. Corruption in procurement erodes bidder confidence and results into higher bid prices that ultimately increases the cost of delivering services to citizens. While PPDA cannot alone totally remove corruption that is pervasive in the society, as the Regulator, it is incumbent upon PPDA to ensure that the system promotes transparency, efficiency, economy, fairness, and accountability where corrupt activities will be more difficult to conceal and will be easier to punish administratively or criminally. This requires strong partnerships with other oversight and enforcement agencies as well as the civil society.
- vi. Failure of PDEs to Implement PPDA Recommendations: The Effectiveness of audits, investigations and administrative reviews conducted by the Authority lies in the implementation of the recommendations issued. The status of implementation of recommendations during FY 2017/18 was 70%. Failure by Entities to implement recommendations slows down the efforts of the Authority to improve the performance of the public procurement system in Uganda. The Authority will continue to timely monitor the implementation of the recommendations, address the capacity gaps in PDEs through training interventions as well as work with other competent authorities like the Office of the Secretary to the Treasury, the Ministry of Local Government, the Inspectorate of Government, Public Service Commission, Inspector General of Government, and the Office of the Auditor General to enforce implementation of PPDA recommendations.
- vii. Failure to Conduct Disposals. The Authority noted that Entities had a lot of assets which were due for disposal. However, several of them failed to dispose the obsolete assets especially vehicles since they were not in possession of the log books. Parent Entities that donated these vehicles retained the log books. The Authority recommends that parent Entities should handover log books and transfer vehicles to Entities that possess the disposable vehicles for ease of disposal.
- viii. Limited funding for Audit coverage: Due to funding constraints, the Authority is not able to audit all the Entities under its jurisdiction and currently conducts audits on a sample and risk basis. The current audit coverage is only 35% and this position is continuously being worsened by the ever-increasing number of both central and Local Government Entities.
- ix. Delays in amendments to the Local Government PPDA Regulations: The amendment process of the Local Governments (PPDA) Regulations was halted; pending the finalizing of the review of the PDDA Act. It is now planned that the review of the PPDA Regulations and Local Government PPDA Regulations shall be reviewed at the same time for a harmonized position; This delay in the amendments of the Local Government PPDA Regulations may continue to hamper efficiency in the Local Government procurements.

Plans to improve Vote Performance

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In order to improve performance of the public procurement system, the Authority plans to:

- i. Pilot the e- procurement system to 10 Entities in order solve the limitations of the manual based procurement system.
- ii. Promote the use of the e- learning system in capacity building interventions to increase the coverage and cost efficiency of capacity building interventions.
- iii. Monitoring the use of the government procurement portal which improves; transparency of the procurement process and provides real time information of the status of the procurement process.
- iv. Capacity building interventions targeting newly recruited procurement cadre, high risk and the worst performing Entities.
- v. Conducting research into problematic areas in public procurement like force on account mechanism, participation in public procurement etc in order to come up with evidence based solutions.
- vi. Fast tracking the amendment of the PPDA Act and regulations to address the challenges of the existing procurement legal framework.
- vii. Work with the Civil Society Organizations in contract monitoring in order to improve management of public procurement contracts.

XI. Vote Cross Cutting Policy And Other Budgetary Issues

Table 11.1: Cross- Cutting Policy Issues

Issue Type: HIV/AIDS

Objective :	To avoid the occurrence of new cases of HIV/AIDS among staff.
Issue of Concern :	The staff of the Authority is dominated by youth who are at risk of contracting HIV/AIDS
Planned Interventions :	Sensitisation meetings about the danges of HIV/AIDS, How to avoid it and how to care for the sick.
Budget Allocation (Billion) :	0.040
Performance Indicators:	4 quarterly sensitisation meetings
Objective :	To provide for care for staff living with HIV/AIDS
Issue of Concern :	There is need to provide care for the staff and immediate family living with HIV/AIDS
Planned Interventions :	Medical insurance scheme for all staff with a provision for HIV/AIDS care according to WHO and Ministry of Health guidelines.
Budget Allocation (Billion) :	0.145
Performance Indicators:	proportions of staff accessing the medical insurance scheme.

Issue Type: Gender

Objective :	To ensure that marginalised groups like the youth and women participate in public procurement.
Issue of Concern :	Low participation of women and youth in public procurement.
Planned Interventions :	Monitoring the implementation of preference and reservation schemes in public procurement and building the capacity of women and youth owned enterprises on how to prepare responsive bids to participate in public procurement.
Budget Allocation (Billion) :	0.350
Performance Indicators:	Compliance checks to enforce compliance and training sessions for the women and youth owned enterprises.

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Table 11.2: AIA Collections

N/A

XII. Personnel Information

Table 12.1 Staff Recruitment Plan

Post Title	Salary Scale	No. Of Approved Posts	No Of Filled Posts	Vacant Posts	No. of Posts Cleared for Filling FY2018/19	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
E-Procurement Officer	L5	10	0	10	10	26,000,000	312,000,000
Executive Director	L1	1	0	1	1	24,000,000	288,000,000
Front Desk Officer	L6	2	1	1	1	2,300,000	27,600,000
Manager Finance and Administration	L3	1	0	1	1	9,000,000	108,000,000
Senior Human Resource Officer	L4	1	0	1	1	5,500,000	66,000,000
Senior Procurement and Investigations Officer	L4	4	2	2	1	5,500,000	66,000,000
Total		19	3	16	15	72,300,000	867,600,000