

Vote:153 PPDA

VI: Vote Overview

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

<i>Billion Uganda Shillings</i>	FY2017/18 Outturn	FY2018/19		FY2019/20 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2020/21	2021/22	2022/23	2023/24
Recurrent Wage	6.506	6.969	1.602	6.969	7.317	7.683	8.067	8.470
Non Wage	4.344	6.889	1.196	6.889	7.923	9.507	11.408	13.690
Devt. GoU	2.320	10.994	0.005	10.994	13.193	13.193	13.193	13.193
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	13.170	24.852	2.803	24.852	28.432	30.383	32.668	35.353
Total GoU+Ext Fin (MTEF)	13.170	24.852	2.803	24.852	28.432	30.383	32.668	35.353
<i>A.I.A Total</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	13.170	24.852	2.803	24.852	28.432	30.383	32.668	35.353

(ii) Vote 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.

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2017/18

Amendments of the PPDA Act, 2003; Stakeholder consultations were conducted during the year and Cabinet approved the principles for the amendment of the PPDA Act, 2003. The First Parliamentary Counsel submitted three subsequent drafts of the PPDA (Amendment) Bill, 2018 and the MoFPED had to engage stakeholders on the proposals.

The Authority completed 84 (102%) out of the planned 82 audits in the FY 2017/18. The 84 Entities were covering a representative sample of procurement transactions carried out during the Financial Year 2016/17. The audit findings revealed that overall the compliance level of the Entities for the procurement system was satisfactory with a score of 69.67%; the overall compliance level for the procurement process was satisfactory with a score of 76.18% %, and a disposal compliance rating of 80.74 %. The audit findings also revealed that in 55.05% of the sampled procurements, Entities failed to deliver within the planned timelines, 33.35% of the contracts signed were not completed within the contractual period, 36.8% of the signed contracts were not paid in time.

Investigations: The Authority investigated and concluded ninety four (94) complaints relating to procurements worth UGX. 1,291Billion. It found merit in 36 (38.4%) complaints and did not find merit in 58 (61.4%) of the complaints.

Applications for Administrative Reviews: The Authority received and concluded forty eight (48) applications for Administrative Reviews with a procurement value of UGX. 352,082,753,210. Twenty three (23) applications representing 47.9% were upheld, twenty two (22) applications representing 45.8% were rejected. Two applications were withdrawn and one application could not be handled since it was filed out of time. The grounds related to non-adherence to the evaluation criteria in the bidding document issued. Twenty Two(22) decisions were appealed against in the PPDA Appeals Tribunal of which six (6) decisions were set aside, two (2) were referrals by the Authority to the Tribunal and one (1) was in respect to a suspension decision made by the Authority.

PPDA Appeals Tribunal: The Authority handled twenty five (25) applications before the PPDA Appeals Tribunal. Twenty two (22) were appeals against the Administrative review decisions by the Authority, two (2) were references in respect to contracts signed by the Entity's during the

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statutory administrative review period and one (1) was in respect to a suspension decision made by the Authority. Out of the twenty three (23) applications heard on merit, the PPDA Appeals Tribunal dismissed twelve (12) applications representing 52%, allowed eleven (11) applications representing 47%. One (1) application was withdrawn and in one (1) application, parties entered into a consent agreement.

Roll out of the Government Procurement Portal (GPP): In the FY 2017/18, GPP was rolled out to 28 PDEs bringing the total number of Entities on the system to 195 representing a coverage of 54%. The Authority was able to assess performance of 195 PDEs which entered data on the Portal. The total number of contracts entered into the portal and analysed in the FY 2017/18 was 12,760 compared to 20,937 contracts in the FY 2016/17. However, there was an increase in the total value of procurements in the system from UGX 2.7 Tn in FY 2016/17 to UGX 3.3 Tn in FY 2017/18.

Bidder Participation in the Procurement Process: The average number of bids received regardless of the method of procurement was approximately 2.2 bids. This low level of competition is more pronounced in the Local Government Entities and is attributed to the delayed payment of providers, collusion between bidders and perceived high levels of corruption in public procurement by bidders.

Promoting Local Content in Public Procurement: Following the issues raised with respect to Guideline 2/2017 on reservation schemes to promote local content in public procurement, the Authority revised and issued Guideline 1/2018 which became effective on 15th February 2018. The revised Guideline allowed the participation of both resident and national providers in the reserved contracts by threshold.

Submission of Procurement Plans and Reports: There was an improvement in submission of procurement plans from 87% in the FY2016/17 to 91.3% in the FY2017/18. With regards to the requirement to submit procurement reports, there was a marked decline from 77% in the FY2016/17 to 59% in the FY 2017/18. The category of Entities that were most non-compliant were the foreign missions.

Register of Providers (RoP): The Authority is mandated to establish and maintain a register of providers for works, services and supplies. This is a step to promote a sound business environment and is a quick avenue to reduce process time and cost during the prequalification process. In the Financial Year 2017/18, 2,095 new providers were registered on the RoP and 4,703 existing providers renewed their subscription. A total of UGX 632 million was generated from the RoP. There is greater potential in the RoP but this is threatened by some Entities which do not use the register of providers as part of their evaluation criteria which reduces the relevance of a providers' presence on the register of providers.

Implementation of PPDA Recommendations: The Authority conducted follow up activities in 108 Entities. A total of 1,058 recommendations were reviewed and of these 726 recommendations (69%) were found to have been implemented and 332 recommendations (31%) were either partially implemented or not implemented.

During the period, a total of thirty six (36) recommendations were investigated and concluded out of 103 recommendations. 25 (69.4%) providers were suspended for different periods for breach of the ethical code of conduct of providers in respect to fraudulent and corrupt practice, misrepresentation, and breach of contractual obligations. 11 (30.5%) providers were exonerated since the Authority found no merit in the recommendations.

The procurement of the systems vendor was completed and the contract was signed by European dynamics. A one week inception report training was conducted in which the system provider interfaced with the project implementation team from the piloting entities to get clarity on the procurement processes in Government of Uganda. Consultations were initiated to determine the systems specifications.

Accreditations: The Authority handled twenty one (21) applications for accreditation of alternative procurement procedures and granted seventeen (17) and rejected three (3). One was still under consideration.

The Authority conducted trainings for 2,050 participants. The major capacity building activities include induction of contracts committee members for Central Government Entities, training of the CSOs, government officials and demand driven trainings.

Common User Items and Average Prices Survey: The Authority in collaboration with the Makerere University School of Statistics and Planning conducted a survey to update the list and average prices of common user items in Northern Region (Gulu), Western Region (Mbarara) Eastern Region (Mbale) and Central Region (Kampala). This enabled stakeholders to access the updated indicative market rates and prices which would help them make the right decisions on value based pricing of goods, works, and services.

The Authority conducted studies on; existing opportunities and barriers to participation of women enterprise in public procurement; GOU understanding of corruption in Uganda and causes of low competition in public procurement.

The Authority organised the 10th East African Procurement Forum. The theme of the forum was; "Leveraging Technology for improved procurement outcomes". The Forum aims at bringing together the public and private sector actors from the East Africa partner states to share best practices as well as challenges in public procurement.

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Performance as of BFP FY 2018/19 (Performance as of BFP)

1. PPDA completed 9 procurement and disposal audits where 34% of the contracts were rated highly satisfactory, 50% were satisfactory and 16% were rated unsatisfactory. The Authority also completed 2 performance based contract audits.
2. The Authority completed 24 investigations worth UGX 131 Billion and found merit in 9 cases which revealed gross flouting of procurement procedures.
3. Thirteen applications for Administrative Review with a total estimated cost of UGX 128 Billion were handled by the Authority
4. Seven applications for accreditation for alternative procurement systems were handled from Entities where 5 applications were granted, and 2 applications were closed for lack of information.
5. The average number of bids received for all procurements irrespective of which method was used remained 1.8 bids per procurement.
6. The proportion of contracts awarded to local providers is 65% by value and 99% by number since local contractors continue to dominate the low value procurement contracts.
7. The vendor for the Electronic Government Procurement System commenced on customizing the system to fit the needs of the government of Uganda. The software specifications report was reviewed and forwarded to the vendor. The Authority is also working on the various systems which e-GP will interface with like the PBS, e-tax, NIS, IFMS among others.
8. The Authority handled one application for deviation from the use of standard bidding document in respect to procurement of an Integrated Human Capital Management system based on the World Bank Bidding document.
9. PPDA conducted follow up activities in 18 PDEs. A total of 356 recommendations were reviewed and of these 239 recommendations (67%) were found to have been implemented and 114 recommendations (33%) were either partially implemented or not implemented.
10. PPDA conducted training under supply and demand driven arrangements targeting different stakeholders bringing the total number of participants trained during the quarter to 256 stakeholders.
11. Conducted a survey to update the list and average prices of items commonly procured by Entities and produced a price list which is used as indicative figures for procurement planning.
12. The Authority conducted a study on to profile the key sectors of the economy with an aim of establishing local capacity to support the implementation of the local content initiatives in public procurement.
13. The site for the proposed PPDA-URF office block was handed over to M/S Seyani International and the project is expected to last 48 months. The contractor has commenced on the foundation works for the construction project.

A regional Office was opened in Mbale to serve Over 40 procuring and disposing Entities domiciled in the region including Entities in the Karamoja Region as a deliberate effort by the Authority to take its services closer to its clientele.

FY 2019/20 Planned Outputs

1. Strengthening Transparency and Accountability in Public Procurement:

The Authority will closely monitor and report on the performance of the public procurement system by conducting risk-based Procurement Audits, Investigations, Follow-up on implementation of PPDA Recommendations, Handling Applications for Administrative Reviews and suspension of fraudulent Providers.

Procurement audits

The Authority plans to undertake a total of 140 procurement and disposal audits. All the procurement and disposal audit reports of 90 Entities will be analyzed in an Annual Audit Report. The audit reports will provide Entity specific recommendations aimed at improving procurement outcomes.

Investigations

The Authority handles investigations as and when they arise with a plan of 90 investigations this financial year. The outcome of investigations and follow-ups will lead to increased compliance with the law and identification of weaknesses that need to be addressed.

Follow-ups of PPDA recommendations

The Authority will follow up on the status of implementation of recommendations as issued by the Authority from audits, investigations and compliance checks. The Authority will follow up recommendations' implementation in 100 entities. Audit and investigation recommendations are followed up within six months of issuance of the reports.

Management Advisory Committee (MAC) Activities

The Authority will continue to facilitate the activities of MAC to expedite any applications for administrative review, requests for deviation from standard bidding documents, applications for accreditation for alternative procurement systems and suspensions.

2. Increasing Competition and Contributing to Domestic Industry Development

This will be done through implementation of the Local Content Strategy; particularly the capacity building of the Local Providers, reservation of local contracts under specific sectors, simplification of bidding documentation for SMEs and enforcing the use of competitive methods in Entities.

3. Enhancing the Efficiency of the Public Procurement Process

The Authority will maintain its focus on the Entities with the biggest procurement budgets to closely monitor their procurement plan implementation in order to enhance budget absorption. The Authority will prioritize the accreditation of alternative procurement systems for the

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Entities where market conditions do not allow effective application of the PPDA Act.

Amendment to the PPDA Act

The Authority shall in partnership with the Ministry of Finance, Planning and Economic Development and the Ministry of Justice and Constitutional Affairs expedite the amendment of the PPDA Act with an aim of improving efficiency, effectiveness and value for money in public procurement. Amendments will also be done to the attendant regulations, Standard Bidding Documents and Guidelines and build capacity on their usage.

4. Monitoring Compliance of Procuring and Disposing Entities

The Authority will continue the roll out of the Government Procurement Portal to an additional 15 Entities. Continuous training and backstopping will be done for the existing entities on the system to ensure that data is timely input into the system. The data input into the system will be analyzed to produce the annual Government Procurement Portal Report.

Focus on High Spend Entities

The Authority will identify high value cases on the procurement plans of the High Spend Entities for monitoring and assess on their implementation to facilitate budget absorption. The Authority will also have engagements/meetings with these High Spend Entities, undertake capacity building activities and prepare an annual High Spend Entities report.

5. Strengthening Contract Management and Performance

This will be achieved through monitoring of contracts in Entities and systematically addressing the capacity gaps in contract management. The aim will be to increase the target of contracts completed within contractual time from the current 59% to 70%.

6. Leveraging Technology to Improve Procurement Outcomes

In line with the Ugandan e-Government framework, the Authority with support from the World Bank will implement and roll out the e-Government Procurement system to ten pilot entities. The e-GP system is aimed at transforming the manual procurement system by use of ICT's in order to improve transparency, efficiency and service delivery. In addition to the above, the ICT unit will continue to carry out system administrative functions including providing disaster recovery services, management of the active directory, administration of all servers and network points, email management, ICT equipment maintenance, installation and configuration of new equipment.

7. Enhancing the Effectiveness of Capacity Building, Research and Knowledge Management

This will be through broadening the capacity building tools including the use of the e-learning portal and addressing the growing need for specialized procurement skilling of key stakeholders.

The Authority will implement the capacity building strategy by maintaining institutional collaboration with professional bodies, government and training institutions for sustainable capacity building and development. The Authority using various approaches of capacity building, through workshops, hands on support to staff of PDEs; consultation meetings, e – learning and forums, will continue to provide training to several stakeholders in various categories including, providers, Accounting Officers, Procurement and Disposal Units staff, Contracts Committee members and members of the user departments, in both the Central and local government entities.

The training will mainly be based on the amendments to the PPDA Act 2003 and the attendant Regulations 2014, including the guidelines and the SBDs. In addition, the Authority plans to create awareness within Civil Society Organizations, the media & other stakeholders through procurement barazas to enable them promote best public procurement and disposal practices and accountability. The Capacity Building activities are estimated to facilitate 3000 participants.

Survey to update list of common user items and average prices

There is periodical need to update the price list quarterly due to the frequent changes in the market place. The Authority will update the list to guide entities in determining the average prices of common user items.

8. Strengthening the Internal PPDA Capacity to Deliver Improved Performance of Public Procurement:

This will be done through capacity building of PPDA Staff, increasing the presence of PPDA in the Regions and the Construction of PPDA Headquarters for sustainability.

Monitoring the implementation of the Strategic Plan

Following the adoption of the FY 2014/15 – 2018/19 Strategic Plan, the Authority will continue to implement the strategic plan and the approved organization structure. The Authority will continue monitoring the implementation of the strategic plan across all its departments to ensure that the objectives of the strategic plan are achieved.

The Authority also plans to develop a new strategic plan that is aligned to the direction and time Horizon of the Third National Development Plan.

Construction of the PPDA – URF Joint Office

The Authority commenced the construction of the PPDA – URF joint office in the Financial Year 2017/2018 and will continue with the phased construction of the Office block which is being undertaken by M/S Seyani an MS symbion as the project supervising consultant.

9.Leveraging and Enhancing PPDA's Partnerships and Collaborations: The Authority will continue using the existing partnerships as well as establish new ones to achieve its strategic objectives.

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Medium Term Plans

Roll out of electronic government procurement
 Completion of the PPDA office block
 popularizing the use of e- learning system in building capacity

Efficiency of Vote Budget Allocations

The Authority continues to allocate the biggest percentage of its budget to capital expenditure and for program activities.

Vote Investment Plans

Construction of the PPDA URF Office block
 Procurement of ICT equipment

Major Expenditure Allocations in the Vote for FY 2019/20

Construction of URF PPDA Office block UGX 10.7 Billion
 Wage expenditure UGX 6.8 billion
 Program activities

V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

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						
Responsible Officer:	Benson Turamye Ag. Executive Director.						
Programme Outcome:	Improved procurement contract management and performance						
	<i>Sector Outcomes contributed to by the Programme Outcome</i>						
	1. Value for money in the management of public resources						
	Performance Targets						
Programme Performance Indicators (Output)	2017/18 Actual	2018/19 Q1 Actual			2019/20 Target	2020/21 Target	2021/22 Target

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• Proportion of contracts delivered within the contractual value (no variations).				100%	100%	100%	
• % of entities rated satisfactory from procurement audits	92%			100%	100%	100%	
• Proportion of contracts completed as per contractual time.	54%			100%	75%	78%	
Programme Outcome: Increased participation of local contractors in public procurement							
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
1. Value for money in the management of public resources							
Programme Performance Indicators (Output)	Performance Targets						
	2017/18 Actual	2018/19 Q1 Actual			2019/20 Target	2020/21 Target	2021/22 Target
• Proportion of contracts by value awarded to local contractors.					75%	78%	80%
• Average number of bids received per contract.					5	5	6
• Proportion of contracts by value subjected to open competition					80%	80%	80%

Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme

Billion Uganda shillings	2017/18	2018/19		2019/20	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2020/21	2021/22	2022/23	2023/24
Vote :153 PPDA								
12 General Administration and Support Services	0.000	0.000	0.000	6.879	6.678	6.678	6.678	6.678
56 Regulation of the Procurement and Disposal System	13.110	24.852	2.702	17.973	21.754	23.704	25.990	28.675
Total for the Vote	13.110	24.852	2.702	24.852	28.432	30.383	32.668	35.353

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme

Billion Uganda shillings	2017/18	2018/19		2019/20	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2020/21	2021/22	2022/23	2023/24
Programme: 12 General Administration and Support Services								
06 Corporate Affairs	0.000	0.000	0.000	2.776	2.849	2.849	2.849	2.849
07 Operations	0.000	0.000	0.000	4.103	3.829	3.829	3.829	3.829
Total For the Programme : 12	0.000	0.000	0.000	6.879	6.678	6.678	6.678	6.678
Programme: 56 Regulation of the Procurement and Disposal System								
02 Performance Monitoring	0.000	0.000	0.000	2.959	3.000	4.200	4.400	5.500
03 Capacity Building and Advisory Services	0.000	0.000	0.000	1.371	1.500	2.000	2.800	3.000
04 Legal and Investigations	0.000	0.000	0.000	1.341	1.500	2.200	2.700	3.300
05 E-Government	0.000	0.000	0.000	1.308	2.561	2.112	2.897	3.682

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1225 Support to PPDA	2.320	10.994	0.005	10.994	13.193	13.193	13.193	13.193
Total For the Programme : 56	13.110	24.852	2.702	17.973	21.754	23.704	25.990	28.675
Total for the Vote :153	13.110	24.852	2.702	24.852	28.432	30.383	32.668	35.353

Table V4.2: Key Changes in Vote Resource Allocation

Major changes in resource allocation over and above the previous financial year	Justification for proposed Changes in Expenditure and Outputs
Vote :153 PPDA	
<i>Programme : 12 General Administration and Support Services</i>	
Output: 12 Planning, Monitoring and Evaluation	
Change in Allocation (US\$ Bn) : 2.533	Change in vote structure. The out put "05" was split into outputs "12" and "13"
Output: 13 Internal Audit	
Change in Allocation (US\$ Bn) : 0.243	Change in vote structure. The out put "05" was split into outputs "12" and "13"
Output: 19 Human Resource Management Services	
Change in Allocation (US\$ Bn) : 4.103	Change in vote structure where out put "04" became output "19"
<i>Programme : 56 Regulation of the Procurement and Disposal System</i>	
Output: 01 Performance Monitoring Directorate	
Change in Allocation (US\$ Bn) : (2.930)	Change in vote structure. output "01" was split into outputs "06" and "07"
Output: 02 Capacity Building and Advisory Services Directorate	
Change in Allocation (US\$ Bn) : (1.646)	Change in vote structure. Where output 02 became output "08"
Output: 03 Legal and Investigations Directorate	
Change in Allocation (US\$ Bn) : (1.323)	Change in vote structure. This output was split into outputs "09" and "10"
Output: 04 Operations Directorate	
Change in Allocation (US\$ Bn) : (4.023)	Change in vote structure. This key output changed into output "19"
Output: 05 Corporate Directorate	
Change in Allocation (US\$ Bn) : (3.936)	Change in vote structure . This key output was split into outputs "12" and "13"
Output: 06 Procurement and Disposal Audit	
Change in Allocation (US\$ Bn) : 2.440	Change in vote structure. output "01" was split into outputs "06" and "07"
Output: 07 Compliance Monitoring	
Change in Allocation (US\$ Bn) : 0.519	Change in vote structure. output "01" was split into outputs "06" and "07"
Output: 08 Capacity Building and Research	
Change in Allocation (US\$ Bn) : 1.371	Change in vote structure. Where output 02 became output "08"

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Output: 09 Legal Services and Investigations		
Change in Allocation (US\$ Bn) :	0.722	Change in vote structure. output "03" was split into outputs "09" and "10"
Output: 10 Procurement Complaints		
Change in Allocation (US\$ Bn) :	0.618	Change in vote structure. output "03" was split into outputs "09" and "10"
Output: 11 E-Government procurement system management unit		
Change in Allocation (US\$ Bn) :	1.308	Creation of a new key output to cater for the electronic procurement system management unit. The budgetary allocation was obtained from output "05"
Output: 75 Purchase of Motor Vehicles and Other Transport Equipment		
Change in Allocation (US\$ Bn) :	(0.270)	Motor vehicles were procured in FY 2018/19
Output: 76 Purchase of Office and ICT Equipment, including Software		
Change in Allocation (US\$ Bn) :	(0.251)	A big investment was made in the previous year for ICT equipment. Therefore a reduced investment is required in FY 2019/20
Output: 78 Purchase of Office and Residential Furniture and Fittings		
Change in Allocation (US\$ Bn) :	0.010	Replacement of aging furniture

Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2018/19		FY 2019/20	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs	
Vote 153 PPDA			
Programme : 56 Regulation of the Procurement and Disposal System			
Project : 1225 Support to PPDA			
Output: 72 Government Buildings and Administrative Infrastructure			
Construction of Office block.	38% Excavation of the construction site undertaken. Piling for the foundation of the building in progress.	Physical progress on the construction of the Office block	
Total Output Cost(US\$ Thousand):	10.230	0.005	10.741
Gou Dev't:	10.230	0.005	10.741
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

V5: VOTE CHALLENGES FOR 2019/20 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2019/20

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- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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 further more prone to manipulation/bid tampering and inefficiencies in the process.
- f) Failure of PDEsto 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 69%. 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.
- b) 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.
- c) Delays in amendments to the Local Government PPDA Regulations: The amendment process of the Local Governments (PPDA) Regulations was halted;pending the finalisation of the review of the PDDA Act. It is now planned that the review of the PPDA Regulations and Local Government(PPDA) Regulations, 2006 shall be reviewed at the same time for a harmonised position. This delay in the amendments of the Local Government(PPDA) Regulations, 2006 may continue to hamper efficiency in the Local Government procurements.

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2019/20	Justification of requirement for additional outputs and funding
Vote : 153 PPDA	
Programme : 56 Regulation of the Procurement and Disposal System	
OutPut : 06 Procurement and Disposal Audit	
Funding requirement US\$ Bn : 6.300	The current audit coverage stands at 33% which forces the Authority to conduct audits on a sample basis (based on risk and value). The increase in audit coverage would help to improve procurement outcomes and delivery of public procurement contracts including the NDP II flagship projects.
OutPut : 07 Compliance Monitoring	

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Funding requirement US\$ Bn : **1.150**

Government remains the biggest single spending Entity yet some ugandan Enterprises have not been a beneficiary of public procurement since most big contracts are awarded by value. Government took a deliberate effort to promote local content in public procurement by issuing a guideline for reservation schemes hence the need for its implementation which is expected to spur economic growth through provision of jobs, development of local enterprises, technological transfer among others.

OutPut : 72 Government Buildings and Administrative Infrastructure

Funding requirement US\$ Bn : **12.000**

The construction of the PPDA office block would help to improve the institutional capacity of the Authority to provide oversight to public procurement.
