

# VOTE: 153 Public Procurement & Disposal of Public Assets (PPDA)

## I. VOTE MISSION STATEMENT

To Promote Service Delivery through Effective Regulation of the Public Procurement and Disposal System.

## II. STRATEGIC OBJECTIVE

The Strategic Plan of the Authority sets out four strategic objectives for the Period of the Third national Development Plan as follows.

- i Strengthen Regulation of the Public Procurement and Asset disposal system.
- ii Enhance Stakeholder Engagement and Management.
- iii Strengthen Institutional and Management Capacity.
- iv Leverage Technology to Deliver Efficiency in Public Procurement

## III. MAJOR ACHIEVEMENTS IN 2023/24

The average number of bids received regardless of the method of procurement was approximately 3 bids which is attributed to the delays in payment of providers which affected the capacity of bidders to participate in subsequent procurements.

The proportion of contracts that was awarded through open competition stood at 49 percent by value and 22 percent by number.

The proportion of contracts by number awarded to local providers was 98 percent. The number of contracts awarded to local providers remains high because the over whelming number of procurements is small in value and done by local providers. The proportion of contracts awarded to local providers is 49 percent.

The lead time under open domestic bidding is 121 days against an indicative timeline of 100 days. For Open International Bidding the lead time is 237 days against an indicative timeline of 110 days. The Authority is addressing these delays through regular monitoring and capacity building.

63% of the number of contracts in all Ministries Departments Agencies and Local Governments were completed within contractual cost while 74% were completed within time.

77 percent of all the Entities that were audited were rated satisfactory 60 percent of the Contracts in Entities were completed as per contractual time with 57 percent of contract in Local government Entities being completed in time compared to 45 percent in Central Government Entities due to the complex nature of procurement executed by the Central Government Entities.

The Authority issued 28 performance audit reports covering a total of 145 contracts, 43 compliance audit reports covering a total of 544 contracts, 2 Contract audit reports covering 3 contracts .The audits highlighted irregularities in bid evaluation, inadequately prepared solicitation documents, failure to implement previous recommendations and poor contract management.

the Authority undertook 46 bid preparatory audits aimed at ensuring that public procurement planning and requisition is conducted in a manner which promotes transparency, accountability and fairness and to establish whether the solicitation document issued to bidders is prepared in accordance with the provisions of the PPDA Act.

The Authority issued 21 investigation reports. The average investigation lead time was 37 working days. The delays in issuance of reports was as a result of delays by entities to submit documentation.

The Authority handled 8 applications for accreditation of alternative procurement procedures of which 5 from Ministry of Defence and Veteran Affairs, National Council of Sports and Maryhill High School were granted:

The Authority concluded two suspension investigations which were concluded and recommended suspension of Migmoen Consults Limited, Kcanary Consult Limited

PPDA granted 15 applications for deviation from the Standard Bidding Documents to Petroleum Authority of Uganda and Uganda Revenue Authority.

The Authority commenced the review of 15 SBDs using multi Agency Technical sub committees and The exercise is expected to be completed in quarter four.

107 out of the 232 central government Entities submitted their monthly reports. According to the data in these monthly reports, it was observed that a total of 5,288 contracts were awarded and of these 5,189 contracts were awarded to local providers representing 98% of number of contracts going to local providers. And 99 of the contracts were awarded to foreign providers representing 2% of the total contracts.

The Authority conducted a study to review and validate the basket of items commonly procured in public procurement and their average prices to develop indicative prices for the commodities. The second update for the Financial Year was completed and the prices uploaded to the PPDA website.

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PPDA monitored the implementation of reservation schemes in public procurement aimed at increasing local participation in public procurement and produced a report on the benefits of the policy among which included increased capacity utilization by manufacturer like Nytil which employ mainly women and youth.

During the period, 1091 new providers were registered while 2511 providers renewed their subscriptions. Of the new registrations, 331 providers were women owned Enterprises.

1,972 participants (1138 men and 834 women) were trained in various aspects of the procurement and disposal system. induction of contracts committee members, Accounting Officers, providers, students, PDUs and User Departments (UD) for both Central and local Government Entities and CSOs. The capacity building interventions have led to improved implementation of PPDA recommendations and improved compliance to the PPDA law.

283 Women entrepreneurs from Bushenyi, Jinja, Tororo and Kampala were trained on how to prepare responsive bids and how to register and submit bids on eGP and were sensitised on preference and reservation schemes.

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## IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2023/24		2024/25	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2025/26	2026/27	2027/28	2028/29	
<b>Recurrent</b>	Wage	12.955	6.477	12.955	13.602	14.282	14.997	16.205
	Non-Wage	8.150	3.542	8.150	8.313	9.727	11.186	13.423
<b>Devt.</b>	GoU	3.000	-0.771	3.000	3.150	3.623	3.985	4.782
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>		<b>24.105</b>	<b>9.248</b>	<b>24.105</b>	<b>25.066</b>	<b>27.632</b>	<b>30.167</b>	<b>34.410</b>
<b>Total GoU+Ext Fin (MTEF)</b>		<b>24.105</b>	<b>9.248</b>	<b>24.105</b>	<b>25.066</b>	<b>27.632</b>	<b>30.167</b>	<b>34.410</b>
Arrears		0.006	0.000	0.007	0.000	0.000	0.000	0.000
<b>Total Budget</b>		<b>24.111</b>	<b>9.248</b>	<b>24.112</b>	<b>25.066</b>	<b>27.632</b>	<b>30.167</b>	<b>34.410</b>
<b>Total Vote Budget Excluding Arrears</b>		<b>24.105</b>	<b>9.248</b>	<b>24.105</b>	<b>25.066</b>	<b>27.632</b>	<b>30.167</b>	<b>34.410</b>

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2024/25	
	Recurrent	Development
<b>Programme:07 Private Sector Development</b>	<b>1.325</b>	<b>0.000</b>
<b>SubProgramme:01 Enabling Environment</b>	<b>1.325</b>	<b>0.000</b>
<b>Sub SubProgramme:01 Regulation of the Procurement and Disposal System</b>	<b>1.325</b>	<b>0.000</b>
001 Capacity Building and Advisory Services	1.325	0.000
<b>Programme:16 Governance And Security</b>	<b>19.780</b>	<b>3.000</b>
<b>SubProgramme:01 Institutional Coordination</b>	<b>5.087</b>	<b>0.000</b>
<b>Sub SubProgramme:02 General Administration and Support Services</b>	<b>5.087</b>	<b>0.000</b>
002 Operations	5.087	0.000
<b>SubProgramme:05 Anti-Corruption and Accountability</b>	<b>14.693</b>	<b>3.000</b>
<b>Sub SubProgramme:01 Regulation of the Procurement and Disposal System</b>	<b>10.810</b>	<b>0.000</b>
003 Legal and Investigations	1.929	0.000
004 Performance Monitoring	8.880	0.000
<b>Sub SubProgramme:02 General Administration and Support Services</b>	<b>3.884</b>	<b>3.000</b>
001 Corporate Affairs	3.884	0.000
002 Operations	0.000	3.000
<b>Total for the Vote</b>	<b>21.105</b>	<b>3.000</b>

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## V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 07 Private Sector Development

SubProgramme: 01 Enabling Environment

Sub SubProgramme: 01 Regulation of the Procurement and Disposal System

Department: 001 Capacity Building and Advisory Services

Budget Output: 000023 Inspection and Monitoring

PIAP Output: An overarching local content policy framework developed

Programme Intervention: 070102 Develop and implement a holistic local content policy, legal and institutional framework

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Proportion of contracts by value awarded to local providers.	Percentage	2016/17	58%	70%	60%	75%

Programme: 16 Governance And Security

SubProgramme: 01 Institutional Coordination

Sub SubProgramme: 02 General Administration and Support Services

Department: 001 Corporate Affairs

Budget Output: 000014 Administrative and Support Services

PIAP Output: Timely payments made for PPDA staff and suppliers

Programme Intervention: 160605 Undertake financing and administration of programme services

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Annual Budget absorption rate	Percentage			100%	85.3%	100%

Department: 002 Operations

Budget Output: 000013 HIV/AIDS Mainstreaming

PIAP Output: Timely payments made for PPDA staff and suppliers

Programme Intervention: 160605 Undertake financing and administration of programme services

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Sub SubProgramme: 02 General Administration and Support Services

Department: 002 Operations

Budget Output: 000013 HIV/AIDS Mainstreaming

PIAP Output: Timely payments made for PPDA staff and suppliers

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Annual Budget absorption rate	Percentage					100%

Budget Output: 000014 Administrative and Support Services

PIAP Output: Timely payments made for PPDA staff and suppliers

Programme Intervention: 160605 Undertake financing and administration of programme services

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Annual Budget absorption rate	Percentage	2016/17	96%	100%	85.3%	100%

Budget Output: 000089 Climate Change Mitigation

PIAP Output: Timely payments made for PPDA staff and suppliers

Programme Intervention: 160605 Undertake financing and administration of programme services

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Annual Budget absorption rate	Percentage					100%

SubProgramme: 05 Anti-Corruption and Accountability

Sub SubProgramme: 01 Regulation of the Procurement and Disposal System

Department: 003 Legal and Investigations

Budget Output: 000012 Legal and Advisory Services

PIAP Output: Performance of the public procurement and disposal systems monitored

Programme Intervention: 160804 Monitoring of Government Programs for effective service delivery

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Number of providers suspended	Number	2016/17	06	18	5	20

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**Sub SubProgramme: 01 Regulation of the Procurement and Disposal System**

**Department: 004 Performance Monitoring**

**Budget Output: 000007 Procurement and Disposal Services**

**PIAP Output: Performance of the public procurement and disposal systems monitored**

**Programme Intervention: 160804 Monitoring of Government Programs for effective service delivery**

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Number bid preparatory audits conducted	Number	2016/17	0	16	67	38
Number of contract Audits done	Number	2016/17	16	25	6	69
Number of compliance checks done	Number	2016/17	86	100	43	123
Number of follow ups conducted on PPDA Audit recommendations	Number	2016/17	80	100	23	100
Number of Performance Audits done	Number	2016/17	78	100	28	105
Number of procurement and disposal related investigations successfully completed	Number	2016/17	86	60	21	85

**Sub SubProgramme: 02 General Administration and Support Services**

**Department: 001 Corporate Affairs**

**Budget Output: 000014 Administrative and Support Services**

**PIAP Output: Internal audits undertaken**

**Programme Intervention: 160805 Strengthen and enforce Compliance to accountability rules and regulations**

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
No of internal audit reports prepared	Number	2016/17	8	8	4	8
Number of reports	Number	2017/18	8	8	4	8

**Project: 1621 Retooling of Public Procurement and Disposal of Public Assets Authority**

**Budget Output: 000003 Facilities and Equipment Management**

**PIAP Output: Performance of the public procurement and disposal systems monitored**

**Programme Intervention: 160804 Monitoring of Government Programs for effective service delivery**

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Sub SubProgramme: 02 General Administration and Support Services

Project: 1621 Retooling of Public Procurement and Disposal of Public Assets Authority

Budget Output: 000003 Facilities and Equipment Management

PIAP Output: Performance of the public procurement and disposal systems monitored

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Number bid preparatory audits conducted	Number	2016/17	0	18	69	38
Number of contract Audits done	Number					69
Number of compliance checks done	Number					123
Number of follow ups conducted on PPDA Audit recommendations	Number					100
Number of Performance Audits done	Number	2017/18	79	80	28	105
Number of procurement and disposal related investigations successfully completed	Number					85
Number of providers suspended	Number					20



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## VI. VOTE NARRATIVE

### Vote Challenges

#### Development Plan Implementation

i) Though big strides have been made in the post contracting stage and 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. Public procurement is prone to corruption particularly due to the high value transactions and close interaction between the public and private sector through the bidding processes where Evaluation of bids persists to be perceived as the stage most susceptible to corruption which erodes bidder confidence and results into higher bid prices that ultimately increases the cost of delivering services to citizens.

ii) 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 which unnecessarily lengthens the procurement process. 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 which is caused by failure of Entities to clearly scope the proposed projects.

iii) 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 with the current audit coverage is only 49 percent and this position is continuously being worsened by the ever increasing number of both Central and Local Government Entities.

iv) Delay in investigations which is caused by increasing number of complaints from anonymous complainants who cannot be contacted to substantiate the complaints and poor record keeping by the entities leading to delays in submission of procurement files and repeated requests to provide documents.

#### Private Sector Development

Conflicting development partner interests. A considerable proportion of the national budget is funded through external financing in the form of loans and grants from development Partners. On this premise Several MDAs continue to disallow local suppliers on account of monies involved in procurement having been either donated or borrowed from outside Uganda and that lenders or donors have put restrictions that bar reservations. Government through MoFPED will need to engage development partners to ensure more favourable financing terms for key projects.

Delays in payments. This has been responsible for discouraging participation of local providers as most of them reported that MDAs seldom honour the payment terms that usually provide for effecting payment within 30 to 90 days after delivery and that rather securing payment for supplies and services made to MDAs take in many cases as long as a year and beyond which erodes the business profitability and working capital.

Passive resident or national providers where foreign trading companies have sponsored incorporation of marketing companies in Uganda who leverage their local contacts in the public sector and their Ugandan Nationality to shop for public sector business in Uganda using the locally incorporated marketing companies that have no production facilities in Uganda.

Limited access to finance. Local providers have found it difficult to access finances at a low interest rates varying from 20 to 25 percent unlike foreign firms that can access finances at a low interest in their home countries that then create unfair competition for the locals

### Plans to improve Vote Performance

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- i. Leverage the electronic government procurement system to enhance transparency and accountability in public procurement.
- ii. The Authority will enhance social accountability by involving non-state actors in monitoring of public procurement contracts and reporting their findings using the contracts monitoring system that was rolled out by the Authority.
- iii. The Authority will build the capacity of major stakeholders in the public procurement system on the amendments in the PPDA act electronic government procurement and sustainable procurement.
- iv. Strengthen the capacity of regional offices to ensure that the services get closer to the people.
- v. Automating the operations of the Authority to improve the internal business processes and information flow.
- vi) Monitor the Performance and workload of Contractors through the Contractor reference portal to improve contractual delivery.
  
- vii) Disseminate the amended regulations to all key stakeholders in public procurement, clearly highlighting the reforms and efficiency gains for public procurement.

### **VII. Off Budget Support and NTR Projections**

#### **Table 7.1: Off Budget Support by Project and Department**

N/A

**VOTE: 153 Public Procurement & Disposal of Public Assets (PPDA)****Table 7.2: NTR Projections(Uganda Shillings Billions)**

Revenue Code	Revenue Name	FY2023/24	Projection FY2024/25
142211	Registration fees for Documents and Businesses	1.000	1.000
<b>Total</b>		<b>1.000</b>	<b>1.000</b>

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## VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

### i) Gender and Equity

<b>OBJECTIVE</b>	To promote the participation of special interest groups in public procurement
<b>Issue of Concern</b>	Low levels of participation of special interest groups in public procurement
<b>Planned Interventions</b>	Capacity building for special interest groups to participate in public procurement
<b>Budget Allocation (Billion)</b>	0.640
<b>Performance Indicators</b>	1500 members of special interest groups trained in public procurement. Number of active reservation schemes

### ii) HIV/AIDS

<b>OBJECTIVE</b>	To mitigate the incidence of new HIV cases in PPDA
<b>Issue of Concern</b>	Staff of the Authority are at risk of contracting HIV AIDS
<b>Planned Interventions</b>	Corporate membership for the Authority with TASO Uganda. Implementation of the PPDA HIV workplace policy. Provision of Medical insurance with a provision for comprehensive HIV care for staff and dependents living with HIV.
<b>Budget Allocation (Billion)</b>	0.450
<b>Performance Indicators</b>	100% staff covered with Health insurance

### iii) Environment

<b>OBJECTIVE</b>	To promote sustainable and green public procurement practices
<b>Issue of Concern</b>	Adverse effects of the outcomes of public procurement on the environment
<b>Planned Interventions</b>	Building capacity of key stakeholders in public procurement on the green and sustainable public procurement practices
<b>Budget Allocation (Billion)</b>	0.270
<b>Performance Indicators</b>	1000 stakeholders trained in green and sustainable public procurement practices

### iv) Covid

N / A

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## IX. PERSONNEL INFORMATION

**Table 9.1: Staff Establishment Analysis**

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
Administrative Assistant	PPDA/7	3	3
Assistant Officer, Finance	PPDA/7	1	1
Chief Internal Auditor	PPDA/3	1	1
Executive Assistant	PPDA/5	1	1
Executive Director	PPDA/1	1	1
Executive Transport Assistant	PPDA/6	1	1
Manager Administration	PPDA/4	1	1
Manager Board Affairs	PPDA/4	1	1
Manager Corporate and Public Affairs	PPDA/4	1	1
Manager Executive Director's Office	PPDA/4	1	1
Manager Finance	PPDA/4	1	1
Manager Human Resources	PPDA/4	1	1
Manager Information, Communication, Technology	PPDA/4	1	1
Manager Legal Affairs	PPDA/4	2	2
Manager Local Content	PPDA/4	1	1
Manager Performance Monitoring	PPDA/4	4	4
Manager Planning, Monitoring and Evaluation	PPDA/4	1	1
Manager Procurement Capacity Building	PPDA/4	1	1
Manager Research	PPDA/4	1	1
Manager Resource Mobilisation and Stakeholder Engagement	PPDA/4	1	1
Officer - Register of Providers	PPDA/6	2	2
Officer Administration	PPDA/6	1	1
Officer Customer Service	PPDA/6	2	2
Officer Finance	PPDA/6	1	1
Officer Human Resources	PPDA/6	1	1
Officer Performance Monitoring	PPDA/6	56	13

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<b>Title</b>	<b>Salary Scale</b>	<b>Number of Approved Positions</b>	<b>Number of filled Positions</b>
Officer Procurement and Logistics	PPDA/6	1	1
Officer Registry	PPDA/6	1	1
Procurement Data Analyst	PPDA/5	1	1
Senior Manager Human Resources and Administration	PPDA/2	1	1
Senior Manager Legal and Board Affairs	PPDA/2	1	1
Senior Manager Performance Monitoring – Central Government	PPDA/2	1	1
Senior Manager Performance Monitoring – Regional Offices	PPDA/2	2	2
Senior Manager Strategy and Planning	PPDA/2	1	1
Senior Manager, Finance	PPDA/2	1	1
Senior Network Administrator	PPDA/5	1	1
Senior Officer Administration	PPDA/5	1	1
Senior Officer Capacity Building	PPDA/5	5	3
Senior Officer Corporate and Public Affairs	PPDA/5	1	1
Senior Officer Customer Service	PPDA/5	1	1
Senior Officer Finance	PPDA/5	2	2
Senior Officer Human Resources	PPDA/5	1	1
Senior Officer Library	PPDA/5	1	1
Senior Officer Local Content	PPDA/5	5	2
Senior Officer Performance Monitoring	PPDA/5	66	34
Senior Officer Planning, Monitoring and Evaluation	PPDA/5	1	1
Senior Officer Procurement and Logistics	PPDA/5	1	1
Senior Officer Research	PPDA/5	1	1
Senior Officers Legal Affairs	PPDA/5	5	5
Senior Software and Database Administrator	PPDA/5	1	1
Transport Assistant-Mail Delivery	PPDA/8	1	1

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Title	Salary Scale	Number of Approved Positions	Number of filled Positions
Transport Assistants	PPDA/8	21	12



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**Table 9.2: Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2024/25	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Officer Performance Monitoring	PPDA/6	56	13	43	7	4,000,000	336,000,000
Senior Officer Performance Monitoring	PPDA/5	66	34	32	12	7,225,000	1,040,400,000
<b>Total</b>					<b>19</b>	<b>11,225,000</b>	<b>1,376,400,000</b>