

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>		FY2018/19	FY2019/20		FY2020/21	MTEF Budget Projections			
		Outturn	Approved Budget	Spent by End Sep	Proposed Budget	2021/22	2022/23	2023/24	2024/25
Recurrent	Wage	6.569	6.969	1.735	6.969	6.969	6.969	6.969	6.969
	Non Wage	6.305	6.871	1.229	6.871	8.245	9.894	11.873	14.248
Devt.	GoU	9.830	10.994	0.575	10.994	10.994	10.994	10.994	10.994
	Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total		22.704	24.834	3.539	24.834	26.208	27.857	29.836	32.210
Total GoU+Ext Fin (MTEF)		22.704	24.834	3.539	24.834	26.208	27.857	29.836	32.210
<i>A.I.A Total</i>		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total		22.704	24.834	3.539	24.834	26.208	27.857	29.836	32.210

(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 2018/19

The Authority commenced on the revision of the standard bidding documents to incorporate changes following the issuance of guidance on reservation schemes and Health, Social and Environmental Safety requirements. Draft standard bidding documents for design and build works, frame work contracting, supply and installation of Information Technology Systems were also developed and are pending finalisation in FY 2019/20.

The Authority completed 136 audits out of the planned 150 audits in the FY 2018/19. The audits conducted include 89 performance audits and 47 contract audits.

The Authority undertook 91 compliance inspections. The findings revealed that overall the compliance level of the Entities for the procurement system was satisfactory with a score of 66.67%; the overall compliance level for the procurement process was satisfactory with a score of 71.62%, and a disposal compliance rating of 87.32%.

The Authority investigated and issued 73 reports on complaints worth UGX 1,354,658,219,178. The Authority found merit in 29 (39.7%) complaints and no merit in 44 (60.3%) complaints.

The Authority received and handled 62 applications for Administrative Review by bidders not satisfied with the evaluation process and the decisions of Accounting Officers. 2 applications were withdrawn and 1 application could not be handled because the Entity failed to submit the procurement file. 20 applications were upheld, while 39 applications were rejected. However, out of the 59 decisions issued, 14 were appealed

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against before the PPDA Appeals Tribunal representing. The Tribunal upheld the Authority's decisions in 8 applications and allowed six 6 applications.

In FY 2018/19, the average number of bids received per procurement process improved from 2 bids in FY 2017/18 to 3.8 bids. This indicator is a measure of the level of competition in public procurement.

71.9% of the total value of contracts were procured by open bidding.

The total number of contracts awarded to local providers was 99%, However, in terms of value, 72% of the value of procurements were awarded to foreign firms.

The average lead time taken to complete the procurement cycle under open domestic bidding method was 172 days The average lead time taken to complete the procurement cycle under open international bidding was 320 days which is above the indicative lead time frame for open international bidding which is 110 working days giving a variance of 210 days.

Register of Providers (RoP): The Authority redesigned the Register of Providers in readiness for electronic procurement and the new system was launched during the period under review. The new and improved system is secure, faster, more reliable and a lot easier to use. 3458 new providers were registered on the register of providers and 5288 existing providers renewed their subscription.

71% of the procurements were completed within contractual time while by value, 73% of the total value of procurements were completed within the original contract time.

PPDA conducted follow up activities in 86 PDEs to assess the status of implementation of audit and investigations recommendations made in the reports that the Authority issued in FY 2017/18 for procurement and disposal transactions conducted in FY 2015/16. 1284 recommendations were reviewed and of these 842 recommendations (66%) were found to have been implemented and 442 recommendations (34%) were not implemented.

The Authority suspended 23 providers. 2 matters were referred to the Criminal Investigation Directorate for further investigation and 2 recommendations were withdrawn by the Entities.

The e-GP project team worked with the vendor and mapped out the requirements from the bid document visa vie what was provided in the system requirements specification document thereby moving the systems requirements specifications document from 69% accuracy to 90%. The integration platforms of IFMS, URSB, NSSF,URA, E-payment gateway and SMS notification gateway were completed.

The Authority handled eleven 11 applications for accreditation of alternative procurement procedures during the period under review. 6 applications were granted. The procurement procedures accredited are expected to result into efficient management of the procurement requirement and reduction of the lead time which would lead to improved budget absorption and better service delivery.

The Authority conducted trainings for 1,294 participants out the planned 2000 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.

The Authority in collaboration with the Makerere University School of Statistics and Planning conducted a survey to update the list of average prices of common user items to enable stakeholders to access the updated indicative market rates and prices to help them make the right decisions on value based pricing of goods, works, and services.

The Authority conducted studies on; Profiling Key Sectors of the Economy and Identify Existing Capacities in the Country; Mainstreaming the Independent Parallel Bid Evaluation Mechanism; Challenges of Implementing Complex/High Value Projects; and Factors Affecting the Disposal of Public Assets.

PPDA is in the process of constructing a office block. The overall progress of the project was 23% as at 30th June 2019 which is on target as compared to 22% planned for the period.

Performance as of BFP FY 2019/20 (Performance as of BFP)

The first reading of the PPDA (Amendment) Bill 2019 was undertaken on 31st July 2019. The Bill was referred to the Parliamentary Committee on Finance, Planning and Economic Development which held consultative meetings with the various stakeholders on the PPDA (amendment) Bill 2019.

The Authority issued the revised Standard bidding document for works under open or restricted bidding method of procurement which introduced the Environmental, Social, Health and Safety (ESHS) requirements.

The Authority completed 7 audits during the period. Exit meetings were held for eleven audits, Management letters are being prepared for fifteen audits and field work is ongoing for ten audits.

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The Authority conducted compliance inspections of the records and proceedings of the Procuring and Disposing Entities to ensure full and correct application of the PPDA Act and issued forty-nine (49) Inspection reports.

The Authority investigated 19 complaints worth UGX.42,668,689,537 and issued the reports to the respective Entities and competent Authorities for further management

The Authority received and handled nineteen applications for Administrative Review by bidders dissatisfied with the evaluation process and the decisions of Accounting Officers. One application was withdrawn. 8 applications representing 42% were upheld. Eleven (11) applications representing 57.9% were rejected. Out of the 18 decisions made, 4 were appealed against at the PPDA Appeals Tribunal and the Tribunal dismissed all the applications.

Eight applications for review of the Authority' administrative review decisions were filed in the Tribunal. Six applications were dismissed indicating that the Authority complied with the provisions of the PPDA, Act 2003 in making its decisions. One application was partially allowed and one was withdrawn. The Authority also filed two references against Entities for serious breach of the PPDA Act, 2003 on account that they signed contracts during the administrative review period in contravention of the Act. The references are pending the decision of the PPDA Appeals Tribunal.

The average number of bids received for all procurements irrespective of which method was used was 1.7 bids per procurement. In Open Domestic Bidding, the average number of bids that was received per procurement were 1.7 bids with a total of 36 procurements. The average number of bids received irrespective of the method has stagnated when compared to 1.8 bids.

The average number of bids that reached financial comparison stage of evaluation was 1.6 bids for open bidding in the period under review. Generally for all methods of procurement, the average number of bids that reached the financial comparison stage of evaluation was 1.3 bids.

the proportion of contracts that were awarded through open competition are 58.7% by value and 7.7% by number.

Proportion of Contracts by Value Awarded to Local Providers: During Q1, by number, the local providers account for the provision of 99.5% of contracts and 89.8% by value.

The average lead time taken to complete the procurement cycle with open domestic bidding method is 167.9 days (35 contracts) from the data entered into the GPP so far. This is still above the indicative lead time frame for open domestic bidding which is 100 working days giving a variance of 67.9 days.

The Authority received one application for accreditation of an alternative procurement and disposal system from the Uganda Development Corporation. The Authority also received requests for renewal of accreditation that were due to expire and one application was granted while the other was not granted.

The Authority suspended five providers. Eight providers were not suspended since no merit was found in the recommendations. Twelve recommendations were deferred pending the outcome of court cases related to the investigation, and forty seven cases were still under investigation.

67.8% (126) of the central government PDEs submitted their procurement plans whereas 50.9% (87) local government Entities submitted their procurement plans. 54% (201) of expected monthly reports were submitted.

1784 providers were registered, of these 769 are new registrations while 1015 providers renewed their subscriptions.

The implementation status of the e-GP system stands at 67%. During the period, the e-GP project team reviewed the system documentation (User manuals for PDEs Providers and Administrators). The team also reviewed the system requirements specification and recommended that tax compliance certification (TCC) and local purchase order (LPO) be created on the system among others.

987 participants were trained in various procurement and disposal system aspects in the training activities organized/conducted by the Authority during the period July - September 2019. Trainings conducted in the period included: training of contracts committee members, training of CSOs, sector specific skilling of technical staff and demand driven trainings.

Following the study on the existing opportunities and barriers to participation of women enterprises in public procurement in which found out that Over 92% of women in business lacked training about public procurement. PPDA trained 500 women in public procurement in the districts of Kampala, Mbale, Gulu, Masaka, Mbarara and their surrounding regions.

PPDA in collaboration with the University of Chicago Booth School of Business embarked on a research project on understanding information challenges in Public Procurement. The research project aims to propose cost-effective ways to improve the efficiency of public procurement in Uganda, through statistical analysis of the data available to PPDA and other government agencies, and through extensive field-surveys and large-scale evaluation of programs to be implemented in collaboration with both public and private partners.

FY 2020/21 Planned Outputs

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.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 170 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 150 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 Entities where market conditions do not allow effective application of the PPDA Act.

4. Monitoring Compliance of Procuring and Disposing Entities

The Authority will continue to provide technical support to all the Entities currently enrolled on the Government Procurement Portal System. 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 ICTs 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.. 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 3500 participants.

Survey to update list of common user items and average prices

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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 2020/21 - 2024/25 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.

Construction of the PPDA _URF Joint Office
 The Authority commenced the construction of the PDDA -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.

Medium Term Plans

Construction of URF PPDA Office block UGX 10.9 Billion
 Wage expenditure UGX 6.8 billion

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 PPDA/URF Joint Office block (UGX 10.9 Billion)

Major Expenditure Allocations in the Vote for FY 2020/21

Over the medium term, the Authority will allocate funds for its core program activities like procurement audits, roll out of the e-procurement system aimed at achieving its mandate and to the development of the PPDA URF project.
 Construction of URF PPDA Office block UGX 10.9 Billion
 Procurement and Disposal audit - 2.9 Billion
 Development and roll out of electronic government procurement system - 1.185 Billion

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
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12 General Administration and Support Services	0.000	6.817	0.572	6.603	6.496	6.996	7.996	9.496
56 Regulation of the Procurement and Disposal System	22.701	18.017	2.967	18.230	19.712	20.861	21.840	22.714
Total for the Vote	22.701	24.834	3.539	24.834	26.208	27.857	29.836	32.210

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

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

Billion Uganda shillings	2018/19	2019/20		2020/21	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2021/22	2022/23	2023/24	2024/25
<i>Programme: 12 General Administration and Support Services</i>								
06 Corporate Affairs	0.000	2.741	0.144	2.585	2.477	2.940	3.640	4.640
07 Operations	0.000	4.076	0.427	4.019	4.019	4.056	4.356	4.856
<i>Programme: 56 Regulation of the Procurement and Disposal System</i>								
01 Headquarters	12.871	0.000	0.000	0.000	0.000	0.000	0.000	0.000
02 Performance Monitoring	0.000	3.079	2.181	3.263	3.263	3.263	3.263	3.263
03 Capacity Building and Advisory Services	0.000	1.342	0.001	1.429	1.940	2.440	2.940	3.040
04 Legal and Investigations	0.000	1.329	0.015	1.359	1.916	1.916	2.116	2.416
05 E-Government	0.000	1.274	0.195	1.185	1.600	2.249	2.528	3.002
1225 Support to PPDA	9.830	10.994	0.575	10.994	10.994	10.994	10.994	10.994
Total For the Programme : 56	22.701	18.017	2.967	18.230	19.712	20.861	21.840	22.714
Total for the Vote :153	22.701	24.834	3.539	24.834	26.208	27.857	29.836	32.210

N / A

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

FY 2019/20		FY 2020/21
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		
Physical progress on the construction of the Office block	32% physical progress on the construction of the PPDA/URF Office Block	60% physical progress registered
Total Output Cost(Ushs Thousand):	10.741	10.924
Gou Dev't:	10.741	10.924
Ext Fin:	0.000	0.000
A.I.A:	0.000	0.000

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V5: VOTE CHALLENGES FOR 2020/21 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2020/21

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 2018/19 was 66%. 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.

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2020/21	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 : 2.300	This would ensure close monitoring for the procurement of flagship projects of the NDP to ensure that they are delivered in time and within cost.
OutPut : 16 Compliance Monitoring	
Funding requirement US\$ Bn : 3.000	Strengthening the compliance function would help to increase compliance levels across the public procurement system thereby improving the efficiency of the system and ensuring that the provisions on the participation of local content in the procurement system are adhered to in order to spur economic development.
OutPut : 72 Government Buildings and Administrative Infrastructure	

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Funding requirement UShs Bn : **3.000**

The completion of the building would contribute to strengthening the capacity of PPDA to regulate the procurement system as well as provide office space for some of the NDP interventions like the Electronic Government Procurement System
