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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 2019/20

Vote Outcomes

77% of the Entities (Ministries, Departments, Agencies, Statutory Corporations and Local Governments) that were audited were rated satisfactory. By category, 77% of the Central Government Entities were rated satisfactory and 71% of the Local Government Entities were rated satisfactory. The national average rating is weighed by the value of contracts in the respective Entities.

45% of the Contracts in Entities (Ministries, Departments, Agencies and Local Governments) were completed as per contractual time with 63% of contract in Local government Entities being completed in time compared to 44% in Central Government Entities due to the complex nature of procurement executed by the Central Government Entities.

Key Vote Outputs

Procurement Audits: The Authority completed field work for 58 procurement audits issued 27 audit reports in Ministries, Departments, Agencies and Local Governments (7 from Northern Uganda, 5 from Western Uganda, 10 from Headquarters and 5 from Eastern Region) during the period under review with a population of UGX 3,486,062,591,259 of which procurements worth UGX 2,413,640,627,912 were sampled representing 69.24% of the conducted procurement transactions. The audit revealed that 71.17% of the bids received passed the technical evaluation stage. The audits further revealed that there was delayed payment of contracts in 41.76% of all audited cases showing an increase of delayed payments when compared to 37.4% realized over the same period in the previous year. Only 46.18% of the audited contracts were procured in accordance with the planned timelines on the procurement plan.

Compliance Checks: the Authority conducted 73 compliance checks in Ministries, departments Agencies and Local governments to assess compliance level to the application of the PPDA Act.

Investigations: The Authority investigated and issued reports to 36 complaints worth UGX 371 Billion. The Authority found merit in 14 cases worth UGX 156 Billion and no merit in 22 of the investigation cases worth UGX 214 and recommended corrective measures such as disciplinary action to the responsible staff in the PDEs. The investigations revealed discrimination among providers and gross flouting of procurement procedures.

Administrative Reviews: The Authority received and handled 26 applications for Administrative Review to address complaints of unfair treatment of bidders during the evaluation process. Ten applications were upheld, eight 16 applications representing 61% were rejected.

Nine applications for review of the Authority's 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. Two applications were 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.

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The average number of bids received for all procurements irrespective of which method was used remained 2.4 bids per procurement with micro procurements having the greatest number of bids after request for quotation. In Open Domestic Bidding, the average number of bids that was received per procurement were 5.5 bids.

From the beginning of the FY to date, the proportion of contracts that have been awarded through open competition are 71.4% (UGX 87,333,472,267) by value and 6.7% by number. It is expected that this percentage will rise in the next quarters as the lead times for open bidding are long and as such many such procurements are not completed in quarter two.

The local providers account for the provision of 99.5% of contracts by number and 87.3% by value. The Authority is also working with groups of local providers like Uganda Manufacturers Association and Uganda National Association of Consulting Engineers on enhancing their competitiveness in public procurement.

The Authority 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 include reservation of tenders for management of markets to vendors associations which are dominated by women and youth which has improved working conditions in markets and increased capacity utilization by manufacturer like Nytil which employ many women and youth.

The average lead time taken to complete the procurement cycle with open domestic bidding method is 172 days (133 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 72 days. The Authority is addressing these delays through regular monitoring and capacity building.

The Authority revised the standard bidding documents to mainstream environmental, social health and safety safeguards in public procurement and the revised standard bidding documents have been disseminated to all Entities.

Submission of Procurement Plans: During the period, 81.1% of the central government submitted their procurement plans whereas 60.8% of local government Entities submitted their PDEs procurement plans. A number of these PDEs have been previously written to reminding them to submit their procurement plans but they have not responded to date.

The Authority handled ten applications for accreditation of alternative procurement procedures during the period under review. Three applications were granted, one application was rejected, one application was referred back to the Entity while five applications were still under review.

The Authority maintains a register of providers. The Register was upgraded to capture gender disaggregated data on business ownership. During the period, 953 are new providers were registered while 1165 providers renewed their subscriptions. Of the new registrations, 321 providers were women owned.

The implementation status of the e-GP system stands at 67%. Integration with other systems was completed with exception of PBS and NIRA which will be integrated after go live. Stakeholder consultative meetings and change management activities are ongoing. The expected go live date is 31st March 2020 for the 10 Pilot PDEs (8 central Government Entities and 2 Local Government Entities.). Roll out to all Entities (Ministries, Departments, Agencies and Local Governments) is expected to take Place in FY 2020/21. The system is expected to increase the efficiency of the procurement process, increase bidder participation and transparency.

The Authority conducted training under supply and demand driven arrangements targeting different stakeholders bringing the total number of participants trained during the period to 1,711. Trainings conducted in the period included: training of contracts committee members, training of CSOs, sector specific skilling of technical staff and demand driven trainings. The capacity building interventions targeted the poor performing Entities in the North and North Eastern Regions and training for women entrepreneurs on participation in public procurement in partnership with the Uganda Women Entrepreneurs, Association Limited.

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. This will 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 survey was conducted in the major towns of Gulu, Mbarara, Mbale and Kampala.

PPDA supported the operations of the three regional Offices of Eastern, Northern and Western Region which has brought its services closer to the citizens. The regional Offices have resulted into closer monitoring of public procurement in the region and

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increased competition due to increased number of providers registered with PPDA

The progress of the construction of the PPDA Office Block currently stands at 44% against planned progress of 42%. Construction of the Superstructure has been completed. The Office block once completed is expected to house both PPDA and URF and was designed with access for wheel chair users, voice commands for blind and provisions for a breast feeding room for nursing mothers. Completion is anticipated on 31st March 2021.

IV. Medium Term Plans

Development and roll out of the electronic government procurement system to all Ministries, Departments, Agencies and Local Governments.

Partnering with non state actors in monitoring government contracts

Monitoring of the procurement of NDP III flagship projects

Completion of the URF PPDA Office block

Strengthening of regional Offices

Monitoring the implementation of local content in public procurement.

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V. Summary of Past Performance and Medium Term Budget Allocations

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

	2018/19 Outturn	2019/20		2020/21	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec		2021/22	2022/23	2023/24	2024/25	
Recurrent									
Wage	6.569	6.969	3.484	6.969	6.969	6.969	6.969	6.969	6.969
Non Wage	6.305	6.871	2.533	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	10.994
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	22.704	24.834	6.592	24.834	26.208	27.857	29.836	32.210	
Total GoU+Ext Fin (MTEF)	22.704	24.834	6.592	24.834	26.208	27.857	29.836	32.210	
Arrears	0.000	0.000	0.000	0.042	0.000	0.000	0.000	0.000	0.000
Total Budget	22.704	24.834	6.592	24.876	26.208	27.857	29.836	32.210	
A.I.A Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	22.704	24.834	6.592	24.876	26.208	27.857	29.836	32.210	
Total Vote Budget Excluding Arrears	22.704	24.834	6.592	24.834	26.208	27.857	29.836	32.210	

VI. Budget By Economic Classification

Table V6.1 2019/20 and 2020/21 Budget Allocations by Item

<i>Billion Uganda Shillings</i>	2019/20 Approved Budget				2020/21 Draft Estimates		
	GoU	Ext. Fin	AIA	Total	GoU	Ext. Fin	Total
Output Class : Outputs Provided	13.840	0.000	0.000	13.840	13.840	0.000	13.840
211 Wages and Salaries	7.593	0.000	0.000	7.593	7.511	0.000	7.511
212 Social Contributions	0.740	0.000	0.000	0.740	0.800	0.000	0.800
213 Other Employee Costs	1.773	0.000	0.000	1.773	1.886	0.000	1.886
221 General Expenses	1.548	0.000	0.000	1.548	1.369	0.000	1.369
222 Communications	0.125	0.000	0.000	0.125	0.112	0.000	0.112
223 Utility and Property Expenses	0.948	0.000	0.000	0.948	0.952	0.000	0.952
224 Supplies and Services	0.044	0.000	0.000	0.044	0.040	0.000	0.040
225 Professional Services	0.104	0.000	0.000	0.104	0.250	0.000	0.250
226 Insurances and Licenses	0.293	0.000	0.000	0.293	0.241	0.000	0.241
227 Travel and Transport	0.507	0.000	0.000	0.507	0.533	0.000	0.533
228 Maintenance	0.161	0.000	0.000	0.161	0.145	0.000	0.145
282 Miscellaneous Other Expenses	0.004	0.000	0.000	0.004	0.001	0.000	0.001
Output Class : Capital Purchases	10.994	0.000	0.000	10.994	10.994	0.000	10.994
281 Property expenses other than interest	0.596	0.000	0.000	0.596	0.569	0.000	0.569

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312 FIXED ASSETS	10.398	0.000	0.000	10.398	10.425	0.000	10.425
Output Class : Arrears	0.000	0.000	0.000	0.000	0.042	0.000	0.042
321 DOMESTIC	0.000	0.000	0.000	0.000	0.042	0.000	0.042
Grand Total :	24.834	0.000	0.000	24.834	24.876	0.000	24.876
Total excluding Arrears	24.834	0.000	0.000	24.834	24.834	0.000	24.834

VII. Budget By Programme And Subprogramme

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

<i>Billion Uganda shillings</i>	FY 2018/19 Outturn	FY 2019/20		2020-21 Proposed Budget	Medium Term Projections			
		Approved Budget	Spent By End Dec		2021-22	2022-23	2023-24	2024-25
12 General Administration and Support Services	0.000	6.817	1.625	6.677	6.496	6.996	7.996	9.496
06 Corporate Affairs	0.000	2.741	0.667	2.615	2.477	2.940	3.640	4.640
07 Operations	0.000	4.076	0.958	4.061	4.019	4.056	4.356	4.856
56 Regulation of the Procurement and Disposal System	22.704	18.017	4.967	18.199	19.712	20.861	21.840	22.714
01 Headquarters	12.874	0.000	0.000	0.000	0.000	0.000	0.000	0.000
02 Performance Monitoring	0.000	3.079	2.764	3.232	3.263	3.263	3.263	3.263
03 Capacity Building and Advisory Services	0.000	1.342	0.974	1.429	1.940	2.440	2.940	3.040
04 Legal and Investigations	0.000	1.329	0.030	1.359	1.916	1.916	2.116	2.416
05 E-Government	0.000	1.274	0.624	1.185	1.600	2.249	2.528	3.002
1225 Support to PPDA	9.830	10.994	0.575	0.000	0.000	0.000	0.000	0.000
1621 Retooling of Public Procurement and Disposal of Public Assets Authority	0.000	0.000	0.000	10.994	10.994	10.994	10.994	10.994
Total for the Vote	22.704	24.834	6.592	24.876	26.208	27.857	29.836	32.210
Total Excluding Arrears	22.704	24.834	6.592	24.834	26.208	27.857	29.836	32.210

VIII. Programme Performance and Medium Term Plans

Table V8.1: Programme Outcome and Outcome Indicators (Only applicable for FY 2020/21)

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

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vi. Enhancing the performance of public procurement beyond compliance

vii. Enhancing the effectiveness of capacity building, research and knowledge management

Responsible Officer: Benson Turamye

Executive Director.

Programme Outcome: Improved procurement contract management and performance

Sector Outcomes contributed to by the Programme Outcome

1. Value for money in the management of public resources

Outcome Indicators	Performance Targets				
			2020/21	2021/22	2022/23
	Baseline	Base year	Target	Projection	Projection
• % of entities rated satisfactory from procurement audits	70%	2017	100%	100%	100%
• Proportion of contracts completed as per contractual time.	70%	2017	82%	85%	88%

Programme Outcome: Increased participation of local contractors in public procurement

Sector Outcomes contributed to by the Programme Outcome

1. Value for money in the management of public resources

Outcome Indicators	Performance Targets				
			2020/21	2021/22	2022/23
	Baseline	Base year	Target	Projection	Projection
• Proportion of contracts by value awarded to local contractors.	65%	2018	67%	69%	70%
• Average number of bids received per contract.	3	2018	4	5	5
• Proportion of contracts by value subjected to open competition	72%	2018	72%	75%	77%

SubProgramme: 02 Performance Monitoring

Output: 06 Procurement and Disposal Audit

Number of follow-ups undertaken on procurement audits and investigations recommendations	150	155	160
Number of procurement audits conducted	170	180	200
Number of procurement investigations conducted	90	100	100
Percentage of contracts by value rated satisfactory	100%	100%	100%
Proportion of procurement audits and investigation recommendations implemented	90	90	90

Output: 16 Compliance Monitoring

Level of adherence to service standards (Number of MDAs inspected)	150	150	150
Number of entities rated satisfactory	100	100	100

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SubProgramme: 03 Capacity Building and Advisory Services

Output: 07 Capacity Building and Research

Number of stakeholders trained	3,500	3,750	4,000
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IX. Major Capital Investments And Changes In Resource Allocation

Table 9.1: 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 Dec	Proposed Budget and Planned Outputs	
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<i>Program : 14 56 Regulation of the Procurement and Disposal System</i>			
Development Project : 1621 Retooling of Public Procurement and Disposal of Public Assets Authority			
Output: 14 56 72 Government Buildings and Administrative Infrastructure			
		Phased Construction of the PPDA/URF Construction project	
Total Output Cost(Ushs Thousand)	0	0	10,740,800
Gou Dev't:	0	0	10,740,800
Ext Fin:	0	0	0
A.I.A:	0	0	0

X. Vote Challenges and Plans To Improve Performance

Vote Challenges

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

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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.

Plans to improve Vote Performance

Roll out of electronic government procurement
 Completion of the PPDA office block
 popularizing the use of e- learning system in building capacity
 Use of non state actors (Civil Society Organisations) in monitoring of public procurement contracts

XI Off Budget Support

Table 11.1 Off-Budget Support by Sub-Programme

<i>Billion Uganda Shillings</i>	2019/20 Approved Budget	2020/21 Draft Estimates
Programme 1456 Regulation of the Procurement and Disposal System	0.00	2.40
<i>Recurrent Budget Estimates</i>		
02 Performance Monitoring	0.00	1.00
<i>406-European Union (EU)</i>	<i>0.00</i>	<i>1.00</i>
03 Capacity Building and Advisory Services	0.00	0.30
<i>421-UN Agencies</i>	<i>0.00</i>	<i>0.30</i>
05 E-Government	0.00	1.10
<i>420-Joint (Multi/Basket) Financing</i>	<i>0.00</i>	<i>1.10</i>
Total for Vote	0.00	2.40

XII. Vote Cross Cutting Policy And Other Budgetary Issues

Table 12.1: Cross- Cutting Policy Issues

Issue Type: HIV/AIDS

Objective :	To reduce the incidence of HIV/AIDS in PPDA and to promote positive living for staff living with HIV/AIDS
Issue of Concern :	There may exist staff living with HIV/AIDS in the Authority
Planned Interventions :	Provision of a comprehensive medical insurance cover for all staff with a provision of care for people living with HIV/AIDS. Maintaining corporate membership with the Uganda AIDS support Organisation
Budget Allocation (Billion) :	0.250
Performance Indicators:	Number of sensitisation conducted

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Issue Type: Gender

Objective :	To promote the participation of vulnerable groups in public procurement
Issue of Concern :	Low participation of vulnerable groups in public procurement
Planned Interventions :	Promote the implementation of reservation schemes Monitor the implementation of reservation schemes
Budget Allocation (Billion) :	0.140
Performance Indicators:	Value and number of contracts awarded to vulnerable groups

Issue Type: Environment

Objective :	To promote sustainable procurement practices in public procurement in Uganda
Issue of Concern :	Limited capacity of stakeholders in sustainable procurement practices like eco-friendly procurements and considering lifecycle costing
Planned Interventions :	Training of stakeholders in sustainable procurement
Budget Allocation (Billion) :	0.100
Performance Indicators:	Number of stakeholders trained in sustainable procurement

XIII. Personnel Information

Table 13.1 Staff Establishment Analysis

Title	Salary Scale	Number Of Approved Positions	Number Of Filled Positions
Executive Director	L1	1	1
Director Capacity Building & Advisory Services	L2	1	1
Director Corporate Services	L2	1	1
Director Legal & Investigations	L2	1	1
Director Operations	L2	1	1
Director Performance Monitoring	L2	1	1
Manager Advisory Services	L3	1	1
Manager Board Affairs	L3	1	1
Manager Capacity Building	L3	2	2
Manager Compliance Monitoring	L3	1	1
Manager Finance and Administration	L3	1	1
Manager Human Resources	L3	1	1
Manager Information Systems	L3	1	1
Manager Internal Audit	L3	1	1
Manager Investigations	L3	1	1
Manager Legal	L3	1	1
Manager Planning and Monitoring & Evaluation	L3	1	1

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Manager Procurement	L3		1	1
Manager Procurement Audit and Investigations	L3		2	1
Public Relations Manager	L3		1	0
Executive Assistant to the ED	L4		1	1
Sen Finance Officer	L4		2	2
Senior Capacity Building Officer	L4		2	1
Senior Human Resource Officer	L4		1	1
Senior Library and Client Support Officer	L4		1	1
Senior Officer Administration	L4		1	1
Senior Officer Advisory Services	L4		2	2
Senior Officer Internal Audit	L4		1	1
Senior Officer Investigations	L4		3	3
Senior Officer Legal	L4		3	3
Senior Officer Performance Audit	L4		9	9
Senior Officer Strategic Partnerships and Resource Mobilisation	L4		1	0
Senior Procurement Officer	L4		1	1
Senior Public Relations Officer	L4		1	1
Senior Research Officer	L4		1	1
Senior Software & Database Administrator Analyst	L4		1	1
Senior Strategy M&E Officer	L4		1	0
Senior Systems & Network Administrator	L4		1	1
Administration Officer	L5		1	0
Data Analyst	L5		1	0
E-Procurement Officer	L5		10	10
Monitoring & Evaluation Officer	L5		1	1
Officer Compliance Monitoring	L5		2	2
Officer Performance Audit	L5		22	22
Registry Officer	L5		1	1
Research Officer	L5		1	1
Accounts Assistant	L6		1	0
Administrative Assistant	L6		6	6
Front Desk Officer	L6		2	2
Stores Assistant	L6		1	1
Driver	L7		13	12

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Office Assistant	L8	1	1
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Table 13.2 Staff Recruitment Plan

Post Title	Salary Scale	No. Of Approved Posts	No Of Filled Posts	Vacant Posts	No. of Posts Cleared for Filling FY2020/21	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Manager Procurement Audit and Investigations	L3	2	1	1	1	9,000,000	108,000,000
Total		2	1	1	1	9,000,000	108,000,000