

Your Ref:  
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PPDA/RGF/005

4<sup>th</sup> October 2022

To all Accounting Officers  
Central and Local Government Entities

**CIRCULAR NO. 8 OF 2022**

**GUIDANCE ON ASSIGNMENT OF WEIGHTS TO FINANCIAL AND  
TECHNICAL SCORES WHEN USING QUALITY AND COST BASED  
SELECTION METHOD**

The purpose of this guidance is to provide additional assistance to Procuring and Disposing Entities (PDEs) when preparing bidding documents where the quality and cost based selection method is to be used.

1. Quality and Cost Based Selection (QCBS) means a system of bid evaluation where weights are assigned to technical and financial criteria, wherein higher weight is assigned to the technical criteria based on the importance of quality of consultancy services sought.
2. The evaluation is made on the basis of combining the weighted scores for technical and financial criteria. Under QCBS, the weighted technical and financial scores are used to determine the Best Evaluated Bidder.
3. The relative weighting of the technical and cost elements are decided in advance and are stated in the bidding document so that bidders are aware of the weighting to be applied and can factor it into the preparation of their proposals. The relative weights to be given to the technical and financial components of the evaluation are chosen taking into account the nature of the assignment, the complexity and the relative importance of the technical aspect of the bid.
4. The best compromise between the technical quality and cost of the services is often achieved by allocating 70–90 per cent of the total points to the technical features of the proposal and 10–30 per cent to the financial score in accordance with Regulation 21(2) of the PPDA (Procurement of Consultancy Services) Regulations, 2014.

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5. The financial proposal with the lowest evaluated price shall be given a financial score of 100 and other proposals shall each be given a financial score that is inversely proportional to the lowest evaluated price by application of the following formulae:

$$Sf = 100 \times Fm/F \text{ in which:}$$

- Sf* is the financial score of the bid under consideration;  
*Fm* is the price of the lowest price bid that passed the technical evaluation;  
*F* is the bid under consideration.

**For example:**

Where Bidder A quoted UGX 1,000,000,000 and has the lowest evaluated price, their financial score will be 100.

While Bidder B who quoted UGX 3,000,000,000 their financial score will be:  
 $100 \times 1,000,000,000/3,000,000,000 = 33.3$

6. Bids shall be ranked according to their total score obtained by adding the weighted technical and financial scores together for each bidder. The total score shall be obtained using the following formulae:

$$S = (St \times T\%) + (Sf \times P\%) \text{ in which:}$$

- S* is the combined technical and financial score  
*T* is the weight given to the technical bid  
*P* is the weight given to the financial bid  
*St* is the technical score  
*Sf* is the financial score  
**(T+P must equal to 100)**

**For example:**

If the weight for the technical score was set at 80 and the one for the financial score was set as 20, where Bidder A scored 75 as the technical score their combined score would be:

$$(75 \times 80\%) + (100 \times 20\%) = 80$$

7. A bidder obtaining the highest total score shall be recommended to the Contracts Committee for award of contract subject to any post-qualification or negotiations that may be required.

The Authority is available to provide further clarification on the matter in case of any challenges. The Accounting Officers remain responsible for ensuring value for money and for the conduct of procurement in accordance with the provisions of the PPDA law.



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**FOR: EXECUTIVE DIRECTOR**

c.c.: The Inspector General of Government