PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Procurement That Delivers"

Our Ref: PPDA/UETCL/49

16th July 2026

The Chief Executive Officer
Uganda Electricity Transmission Company Ltd
P.O. Box 7625
KAMPALA

BID PREPARATORY AUDIT EXERCISE FOR SELECTED PROCUREMENTS AT UGANDA ELECTRICITY TRANSMISSION COMPANY LIMITED

Reference is made to the above subject.

In accordance with Section 8 (1) (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted a bid preparatory audit of selected procurement processes at Uganda Electricity Transmission Company Ltd. The audit was undertaken to assess compliance with the PPDA legal and regulatory framework, with the objective of identifying weaknesses that could compromise competition, transparency, accountability and value for money.

The following two procurements were selected for the assessment:
1. Supply and installation of Busbar protection panels at Kampala North and Lugogo Substation contract Ref. No. UETCL/SUPLS/2025-2026/00885 worth UGX 1,770,000,000.
2. Procurement of power transformers: Design, manufacture, delivery, installation and commissioning of power transformers under Lot 1, 2 and 3 contract Ref. No. UETCL/WORKS/2025-2026/00871/1/2/3 worth UGX 26,962,221,000.

The objectives of the audit were to:
i. Establish whether the public procurement planning and initiation processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines; and

ii. Establish whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines.

The scope of the bid preparatory audit entailed a review of the procurement plan, procurement requisition forms, solicitation documents, bid notices as well as approvals of the

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Contracts Committee of the procurement method, Evaluation Committee and solicitation document.

The Authority identified the following exceptions with regard to procurement planning, requisitioning and bidding document preparation for the attention of management.

1.0 Whether the public procurement and disposal planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines

1.1 Procurements conducted outside the Procurement Plan

Section 60(1) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap. 205 requires every Procuring and Disposing Entity (PDE) to plan its procurements in a rational manner before initiating any procurement. Section 60 (10) further prohibits the initiation of procurements that are not included in the approved procurement plan. In addition, Sections 60(7) and 60(8) require a PDE to periodically review and update its procurement plan where necessary and submit any approved revisions to the Authority and the Secretary to the Treasury.

The review established that the procurement for supply and installation of busbar protection panels at Kampala North and Lugogo Substation worth UGX 1,770,000,000 and procurement of power transformers: Design, manufacture, delivery, installation and commissioning of power transformers (Lot 3) worth UGX 11,599,919,000 were initiated despite not being included in the Entity's approved Annual Procurement Plan for FY 2025/26.

The Entity did not provide evidence that the procurement plan had been revised and approved before commencement of the procurements.

Procurements initiated outside the approved plan are irregular and lack confirmed budgetary provision which may result in the commitment of the Entity to unfunded obligations.

The Accounting Officer should ensure that all initiated procurements are incorporated into the approved Annual Procurement Plan. Where additional procurement requirements arise, an update should be done and submitted to the Authority.

2.0 Whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines.

2.1 Discrepancies in the bidding document

The audit identified discrepancies in the bidding documents that are likely to cause conflict during the procurement process. These are highlighted in Table 1 and 2 below:

Table 1: Discrepancies in procurement for supply and installation of busbar protection panels at Kampala North and Lugogo Substation

No	Discrepancy	Recommendation
1.	Discrepancy in the bid security requirements for joint ventures: • ITB 25.6 of the Instructions to Bidders states that the bid security may be issued either in the names of all the parties or any of the parties to the JV. • ITB 25.2 of the Bid Data Sheet states that for joint ventures, the bid security shall be in the names of the JV.	Since ITB 7.1 allows unregistered Joint Ventures to bid by using a letter of intent, these Joint Ventures do not exist as legal entities that operate bank accounts at the bidding stage. Therefore, requiring the bid security in the name of a Joint Venture for such bidders is legally and practically unenforceable. ITB 25.2 should be amended to reflect the provision in ITB 25.6. However, where such a Joint Venture is the best evaluated bidder, it shall submit a registered JV agreement prior to contract signature.
2.	Clause 10 of Part 1: Section 4: Bidding Forms indicates that post qualification is N/A. However, 10.2 requires bidders to submit documentary evidence of having successfully executed at least one contract of a similar nature and complexity with a contract value of not less than UGX 250m based upon the bidder's past experience.	Harmonise the section
3.	Trading license: The document currently requests a valid copy of the bidder's trading license for 2025/2026.	To prevent submission of expired licenses that fit within the financial year, this should be revised to request a valid license that is valid at the time of bid closure.
4.	GCC 19.3 requires bidders to submit a performance securing declaration although Guideline No.3/2026 issued on 1st July 2026 states that performance security *shall be* required for supplies/works under all procurement methods for providers that are not local. The nature of the procurement and the method used is likely to attract foreign firms and a possibility of contracting a foreign firm as the best evaluated bidder.	The requirement should be harmonized in light of the Guideline

Table 2: Discrepancies in the procurement of power transformers (Lot 1, 2 and 3)

No	Discrepancy	Recommendation
1.	Page 49 Lot 3 under specific experience states *a minimum of two similar contracts supplying 132/33kv between 1st July 2021 and the bid submission deadline*. However,	There is need to harmonise the requirements in the technical specifications and the bidding document to avoid conflict.

No	Discrepancy	Recommendation
	the project requirement is for 2x32/40MVA, 132/11KV. There is need to clarify whether the experience should be changed to 132/11KV to match the actual project scope as applied in Lot 1 and 2.	
2.	There is a contradiction between the evaluation criteria and the technical specifications. The evaluation criteria states that one contract is required, whereas the technical specifications require two contracts. There is need to confirm the actual number and value to ensure compliance by bidders.	
3.	Equipment requirements: The bidding document states that the equipment requirements shall apply to Lot 1 and 2. However, specific equipment requirements are also listed for Lot 3 under the technical specifications. There is need to harmonise these sections to confirm if Lot 3 is subject to these equipment requirements?	
4.	The technical specifications under Lot 3 highlight the personnel requirements. However, the specifications for Lot 1 and 2 are silent.	
5.	GCC 70.1 states that if the contract is terminated because of a fundamental breach of contract by the contractor, the Project Manager shall issue a certificate for the value of the work done and materials ordered less advance payments received up to the date of the issue of the certificate and *less the percentage to apply to the value of the work not completed, as indicated in the SCC*. Additional liquidated damages shall not apply. If the total amount due to the PDE exceeds any payment due to the contractor, the difference shall be a debt payable to the PDE. To give effect to the above clause, Entities are required to state the percentage in the Special Conditions of the Contract (SCC) to be applied to the value of outstanding/uncompleted work.	Amend SCC 70.1 to indicate the percentage only, i.e., *10%* and not *10% of the total contract sum*

No	Discrepancy	Recommendation
	The audit found that UETCL's bidding document deviated from the above requirement. Instead of stating the percentage to be applied to the value of uncompleted work, SCC 70.1 incorrectly states that the percentage to apply to the value of the work not completed, representing the employer's additional cost for completing the works is 10% of the total contract sum. Applying a penalty of 10% on the total contract value instead of the value of the remaining work exposes the provider to excess deductions specifically in cases where substantial progress has been made prior to termination.	
6.	GCC 62.1 of the bidding document requires submission of 5% performance security in form of a bank guarantee although Guideline No.3/2026 issued on 1st July 2026 states that a performance security in the form of a bank guarantee shall not be required for supplies/works under all procurement methods for local providers. A Performance Securing Declaration shall instead be required.	The requirement should be harmonized in light of Guideline No.3/2026 issued on 1st July 2026. The 5% performance security should be applicable to foreign providers and a performance securing declaration should be required for local providers.

2.2 Missing provisions in the bidding document

Regulation 43 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that *the bidding document shall state the required delivery terms and any warranty provisions*.

The audit noted that in the procurement of power transformers under Lot 1, 2 and 3, the Entity used the bidding document for procurement of works instead of the standard bidding document for procurement of supplies despite the supply of power transformers being the primary deliverable. While the procurement contains essential civil works, the high value supply component represents the majority of the estimated cost of the procurement worth UGX 26,962,221,000. Due to this categorization, the bidding document omitted important supply related clauses, specifically; the INCOTERM and the requirement for the Manufacturer's authorization to ensure that manufacturers commit to the warranty provisions.

To harmonize the high value supply component and the necessary civil works, the Entity should provide for the Incoterm and the manufacturers authorization to safeguard the Entity.

In light of the audit findings and recommendations, the Authority concludes that the solicitation documents require revision to address the identified non-compliance areas before the procurement proceedings progress. The Procurement and Disposal Unit should ensure that the amendments are approved by the Contracts Committee and revised solicitation document or an addendum is issued. Please share with the Authority the revised bidding document after addressing the issues raised.

The Accounting Officer remains responsible for ensuring value for money and for the conduct of the procurement processes to completion in accordance with the provisions of the PPDA Law.

Miriam Bigirwa Nyakamadi
FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee

cc: The Head, Procurement and Disposal Unit