



**INSPECTION REPORT INTO ALLEGED IRREGULARITIES IN THE  
PROCUREMENT OF SMART ENERGY METERS BY UGANDA ELECTRICITY  
DISTRIBUTION COMPANY LIMITED; PROC. REF NO. UEDCL/SUPLS/2024/25/10199**

**ENTITY: UGANDA ELECTRICITY DISTRIBUTION COMPANY LIMITED**

**REQUEST BY: INSPECTORATE OF GOVERNMENT**

**MAY 2025**

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## Acronyms

FY	-	Financial Year
JV	-	Joint Venture
PLC	-	Power Line Communication
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UEDCL	-	Uganda Electricity Distribution Company Ltd
UGX	-	Uganda Shilling

## **1.0 EXECUTIVE SUMMARY**

The Authority on 22<sup>nd</sup> April 2025 received a request by the Inspectorate of Government to investigate alleged irregularities in the procurement of supply of Power Line Communication (PLC) Single Phase and three Phase Direct Connect Smart Energy Meters under framework contract split into four lots 1,2,3 and 4; procurement reference No. UEDCL/SUPLS/24-25/10199. *Annex A.*

This procurement was conducted under open domestic bidding, following the provisions of the Public Procurement and Disposal of Public Assets (PPDA) Act, 2003, and the Reservation Guideline No. 12/2024, which promote local content by reserving Contracts for local manufacturers/providers.

The complainant specifically alleged that:

1. Kiyindi Electrical & Engineering Ltd had participated in a tender for supply of Power Line Communication (PLC) single phase and three phase direct connect energy meters under framework contracts for Lots 1, 2, 3 and 4 at UEDCL. However, it was unfairly treated because of a clause that favoured local manufacturers against local suppliers; and
2. At bid opening, Kiyindi Electrical & Engineering Ltd quoted the lowest price and met all technical requirements during evaluation. However, a local Manufacturer who quoted a higher price was instead considered as the best evaluated bidder.

In accordance with Section 8 (1) (i) of PPDA Act, Cap. 205, the Authority conducted a compliance inspection into the procurement of smart energy meters by Uganda Electricity Distribution Company Limited (UEDCL) with the objective of establishing whether the procurement was conducted in accordance with the provisions of the PPDA Act, Cap. 205 and Regulations 2023.

The Authority found that that the procurement of smart energy meters was conducted in accordance with the provisions of the PPDA Act, Cap. 205 and there was no merit in the allegation that Kiyindi Electrical & Engineering Ltd had been unfairly treated because of a clause that favoured local manufacturers against local suppliers since it was rightly eliminated for failure to meet the requirement of having a local manufacturing/assembly facility according to Clause ITB 35.1 of the Bid Data Sheet in the bidding document in accordance with the PPDA Guideline No. 12/2024 on Reservation Schemes to promote the participation of local providers in public procurement.

## **2.0 BACKGROUND**

1. On 25<sup>th</sup> November 2024, the User Department initiated the procurement for the supply of PLC single phase and three phase direct connect smart energy meters under framework contract. The procurement was divided into four lots. Table 1 shows the estimated amounts for each of the four lots:

**Table 1: Estimated Amounts for the Four Lots**

No.	Lot No.	Estimated Amount (UGX) VAT Inclusive
1.	Lot 1-Single Phase & Three Phase Direct Connect Energy meters	10,860,972,520
2.	Lot 2- Single Phase & Three Phase Direct Connect Energy meters	10,929,066,780
3.	Lot 3- Single Phase & Three Phase Direct Connect Energy meters	11,331,391,320
4.	Lot 4- Single Phase & Three Phase Direct Connect Energy meters	11,059,332,880

5. On 20<sup>th</sup> December 2024, the Contracts Committee approved the use of the open domestic bidding method under framework contract, solicitation document and Evaluation Committee. The members of the Evaluation Committee are listed in Table 2 below:

**Table 2: Approved Members of the Evaluation Committee**

No	Name	Designation
1.	Mr. Hannington Natuhweera	Customer Connection Officer
2.	Mr. Samuel Kalangasa	Protection Metering Engineer Officer
3.	Mr. Fred Wamala	Chief Technical Services Officer
4.	Ms. Doreen Keisha Ninsiima	Procurement Officer

6. On 2<sup>nd</sup> January 2025, UEDCL published a bid notice in the New Vision Newspaper for the procurement for supply of PLC single phase and three phase direct connect smart energy meters under framework contract. The deadline for bid submission was indicated as 27<sup>th</sup> January 2025. An addendum was later issued extending the bid submission date to 13<sup>th</sup> February 2025.
7. The record of issue indicated that 28 firms were issued with the bidding document as listed in Table 3 below:

**Table 3: Firms that were Issued with the Bidding Document**

No.	Name of Bidder
1.	JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd
2.	Picfare Industries Ltd
3.	Inhemeter Co. Ltd
4.	Schenzhen Hexcell
5.	Electronics Technical Co. Ltd
6.	Cable Corporation Ltd
7.	Prepaid Meters limited
8.	Chint Meters & Electrical Ltd
9.	Four Corners Transform Ltd
10.	Achellis Uganda limited
11.	Seven Hills Power Technologies Ltd

No.	Name of Bidder
12.	Sagewood Limited
13.	Plumb Base (U) Ltd
14.	International Technik (U) Ltd
15.	Samanga Solutions Ltd
16.	Henley Energy Ltd
17.	NTSL Energies
18.	Uzuzi Meter Technologies
19.	JV NHCCL & CMEC
20.	Blue Crane Communications (U) Ltd
21.	All Intrade Limited
22.	PSI Engineering (U) Ltd
23.	Tetra Technical Services
24.	Karel Electronics Sanyi
25.	Orion Transformers & Electronic
26.	Energy Monitoring Limited
27.	ATX Technology Ltd
28.	Jinja Institute of Technology

8. On 13<sup>th</sup> February 2025, the Entity opened the bids as indicated in Table 4 below:

**Table 4: Record of Bid Opening**

No.	Name of Bidder	Price Read Out (UGX)
1.	Uzuzi Meter Technologies	Lot 1: 9,109,273,140 Lot 2: 9,514,158,900 Lot 3: 12,200,309,100 Lot 4: 10,845,588,860
2.	Samanga Solutions Ltd	Lot 1: 6,993,159,359.00 Lot 2: 7,303,393,215
3.	Jinja Institute of Technology	Lot 3: 13,726,098,884
4.	JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd	Lot1: 7,780,783,819.45 Lot 2: 8,184,117,167.87 Lot 3: 7,160,707,598.09 Lot 4: 8,386,418,116.72
5.	Henley Energy Ltd	Lot 1: 10,236,854,074 Lot 2: 9,951,296,490 Lot 3: 12,920,626,710 Lot 4: 12,146,009,726
6.	Chint Meters & Electrical Ltd	Lot 1: 6,730,399,091.92 Lot 2: 6,995,707,290 Lot 3: 9,416,408,265.90 Lot 4: 8,290,796,227.64
7.	Kiyindi Electrical and Engineering Co. Ltd	Lot 3: 6,607,971,090

9. As part of the evaluation process, a due diligence exercise was conducted to verify the existence and readiness of local assembling/manufacturing facilities as per the eligibility criteria.
10. The Evaluation Report dated 13<sup>th</sup> March 2025 indicated that of the seven bidders that submitted bids, Uzuzi Meter Technologies, JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd and Chint Meters & Electrical Ltd were responsive at preliminary evaluation. The four bidders in Table 5 were eliminated for the following reasons:

**Table 5: Reasons for Elimination at Preliminary Stage**

No.	Bidder	Reason (s)
1.	Jinja Institute of Technology	At preliminary evaluation stage, the bidder did not submit valid Tax Clearance Certificate addressed to UEDCL.  Bidder did not demonstrate access to or availability of line of credit from reputable commercial bank of UGX 1,000,000,000. Bidder did not comply with PPDA Guideline reference 12/2024. Their manufacturing facility of the energy meters is still under construction.
2.	Kiyindi Electrical & Engineering Co. Ltd	Bidder did not comply with PPDA Guideline reference 12/2024. Bidder does not have a manufacturing facility of the energy meters in Uganda.
3.	Samanga Utilities Ltd	Bidder did not comply with PPDA Guideline reference 12/2024. Bidder does not have a manufacturing facility of the energy meters in Uganda.
4.	Henley Energy Ltd	Bidder did not comply with PPDA Guideline reference 12/2024. Bidder does not have a manufacturing facility of the energy meters in Uganda.

11. The Evaluation Report dated 13<sup>th</sup> March 2025 indicated Chint Meters & Electrical Ltd was eliminated at technical evaluation stage because they were non-compliant for metal, oxide varister, polycarbonate meter boxes and circuit breakers. The bidder did not submit samples of the items as required in the solicitation document.
12. The Evaluation Committee recommended the following two bidders for award. Table 6 lists the bidders recommended for award for the different lots:

**Table 6: Bidders Recommended for Award per Lot**

Lot	Best Evaluated Bidder	Amount (UGX) VAT Inclusive
1	JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd	7,780,783,796.24
3		9,160,707,603.60
2	Uzuzi Meter technologies Ltd	8,184,117,152.40
4		8,386,418,107.76

13. On 14<sup>th</sup> March 2025, the Contracts Committee considered the evaluation report and awarded the contracts for lots 1 to 4 as indicated in Table 7 below:

**14. Table 7: Bidders and the respective lots awarded**

<b>Lot No.</b>	<b>Best Evaluated Bidder</b>	<b>Amount (UGX) VAT Inclusive</b>
1	JV XJ Metering Co. Ltd & Farad Electrical Solutions Co.	7,780,783,796.24
3	Ltd	9,160,707,603.60
2	Uzuzi Meter technologies Ltd	8,184,117,152.40
4		8,386,418,107.76

15. On 14<sup>th</sup> March 2025, the best evaluated bidder notice was displayed at the Entity premises with a removal date of 27<sup>th</sup> March 2025.

### **3.0 LAW APPLICABLE**

- i. The Public Procurement and Disposal of Public Assets Act, Cap 205;
- ii. The PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
- iii. The PPDA (Evaluation) Regulations, 2023;
- iv. The Public Procurement and Disposal of Public Assets Authority Guideline No. 12/2024; and
- v. The bidding document for procurement for supply Power Line Communication (PLC) single phase and three phase direct connect smart energy meters under framework contract.

### **4.0 OBJECTIVES OF THE INVESTIGATION**

The objective of the inspection was to establish whether the procurement of smart energy meters was conducted in accordance with the provisions of the PPDA Act, Cap. 205.

### **5.0 METHODOLOGY**

The Authority adopted the following methodology:

1. The Authority undertook a review of the following documents:
  - i. The bid notice;
  - ii. Bidding document issued;
  - iii. Record of issue of bidding document;
  - iv. Bids submitted;
  - v. Record of bid receipt and opening;
  - vi. Evaluation Report;
  - vii. Contracts Committee minutes; and
  - viii. Due diligence report on Bidders for supply of smart energy meters dated 21<sup>st</sup> February 2025. Annex B

- On 8<sup>th</sup> May 2025, the Authority conducted interviews with the following people in the Table 8 below to gather information and gain deeper understanding of the procurement process.

**Table 8: List of People Interviewed by the Authority**

No.	Name	Designation
<b>UEDCL</b>		
1.	Mr. Jonah Kiiza	Chairman, Contracts Committee
2.	Mr. Moses Mwine	Head Procurement and Disposal Unit
3.	Mr. Hannington Natuhweera	Chairperson, Evaluation Committee
4.	Ms. Doreen Keisha Ninsiima	Procurement Officer
<b>Complainant, Kiyindi Electrical &amp; Engineering Ltd</b>		
1.	Eng. Vicent Kiberu Juuko	Director

## 6.0 FINDINGS OF THE AUTHORITY

### Whether the procurement of smart energy meters was conducted in accordance with the provisions of the PPDA Act, Cap. 205

- The complaint alleged that Kiyindi Electrical & Engineering Ltd participated in a tender at UEDCL for supply of PLC single phase and three phase direct connect energy meters under framework contracts; Lots 1, 2, 3 and 4. However, the bidder was unfairly treated because of a clause that favoured local manufacturers against local suppliers. The complaint also alleged that at bid opening Kiyindi Electrical & Engineering Ltd quoted the lowest price and met all technical requirements during evaluation. However, a local Manufacturer who quoted a higher price was instead considered as the best evaluated bidder.
- The Authority reviewed the procurement file and established that Kiyindi Electrical & Engineering Ltd only quoted for supply of PLC single phase and three phase direct connect smart energy meters under framework contract: Lot 3. Table 9 indicates the bidders that quoted for Lot 3:

**Table 9: Bidders that Quoted for Lot 3**

No.	Name of Bidder	Amount Quoted (UGX)
1.	Jinja Institute of Technology	13,726,098,884
2.	Henley Energy Ltd	12,920,626,710
3.	Uzuzi Meter Technologies	12,200,309,100
4.	Chint Meters & Electrical Ltd	9,416,408,265
5.	JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd	7,160,707,598
6.	Kiyindi Electrical and Engineering Co. Ltd	6,607,971,090

- The Authority noted from the record of bid opening that Kiyindi Electrical and Engineering Co. Ltd was the lowest priced bidder at bid opening.

4. On 8<sup>th</sup> May 2025, the Authority interviewed the complainant who stated that in Uganda, there were no manufacturing facilities for pre-paid meters, but rather assembly plants. Therefore, the award to the two Best Evaluated Bidders; JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd and Uzuzi Meter technologies Ltd was not correct because the two bidders did not have manufacturing facilities in the country and therefore should have been failed at preliminary evaluation stage. He further stated that it was unfair for UEDCL to award to a bidder that quoted a higher price.
5. The Authority established that three bidders passed the technical evaluation stage and the Evaluation Committee recommended the next lowest priced bidder, JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd for award for Lot 3.
6. Much as Kiyindi Electrical & Engineering Ltd had quoted the lowest price at bid opening for Lot 3, the bidder was eliminated at preliminary evaluation stage after a due diligence exercise established that the bidder did not possess a local operational facility. This was a requirement as per the bidding document which required that Reservation Guideline No. 12/2024 which promote local content by reserving contracts for local manufacturers/providers would apply.
7. The Authority noted that Kiyindi Electrical & Engineering Ltd did not qualify to proceed to technical or financial evaluation stages. The Evaluation Committee therefore recommended the JV XJ Metering Co. Ltd & Farad Electrical Solutions Co. Ltd for Lot 3 who was the lowest priced, technically compliant bidder. The awarded price was UGX 9,160,707,603.60, which was lower than what the Entity had budgeted for under Lot 3, which was UGX 11,331,391,320.
8. Clause ITB 35.1 of the Bid Data Sheet in the bidding document stated that Reservation Schemes to promote the participation of Local providers in public procurement shall apply in accordance with the PPDA Guideline No. 12/2024 on Reservation Schemes to promote the participation of Local Providers in public procurement. The definition of 'Manufacturing' was *a process of physically or chemically transforming raw materials, substances or components into new products*.
9. As part of the evaluation process, a due diligence exercise was conducted to verify the existence and readiness of local assembling/manufacturing facilities as per the eligibility criteria. The due diligence was conducted by the Evaluation Committee.
10. The objectives of the due diligence were to:
  - i. Verify the physical existence and operational status of the local manufacturing/assembling facilities;
  - ii. Confirm the bidder's compliance with the reservation requirements under the PPDA framework; and
  - iii. Assess capacity for production and supply under the framework contract.

11. Three bidders indicated that they currently did not have operational facilities in Uganda. These were; Kiyindi Electrical & Engineering Co. Ltd, Samanga Utilities Ltd and Henley Energy Ltd;
12. Due diligence site visits were conducted on 18<sup>th</sup> and 19<sup>th</sup> February 2025 for the following bidders:
  - i. Uzuzi Meter Technologies Ltd;
  - ii. Farad Electric Solution Co. Ltd JV XJ Metering Co. Ltd;
  - iii. Chint Meters and Electrical Uganda Co. Ltd; and
  - iv. Jinja Institute of Technology (under development but the due diligence team visited).
13. The Evaluation Committee recommended for further evaluation: Uzuzi Meter Technologies Ltd, Farad Electric Solution Co. Ltd JV XJ Metering Co. Ltd and Chint Meters and Electrical Uganda Co. Ltd.
14. The Authority reviewed the due diligence report dated 21<sup>st</sup> February 2025 which included photographic documentation of the sites visited. The pictures demonstrated that the three firms had production facilities already in place and hence the reason they proceeded to the next stages of evaluation namely technical and financial.
15. The Authority found that:
  - i. The procurement of smart energy meters was conducted in accordance with the provisions of the PPDA Act, Cap. 205.
  - ii. There was no merit in the allegation that Kiyindi Electrical & Engineering Ltd had been unfairly treated because of a clause that favoured local manufacturers against local suppliers since it was rightly eliminated for failure to meet the requirement of having a local manufacturing/assembly facility according to Clause ITB 35.1 of the Bid Data Sheet in the bidding document which stated that Reservation Schemes to promote the participation of Local providers in public procurement shall apply in accordance with the PPDA Guideline No. 12/2024 on Reservation Schemes to promote the participation of local providers in public procurement.

## **7.0 DECISION OF THE AUTHORITY**

In light of the above and in accordance with Section 10 of the PPDA Act, Cap 205, the Authority found no merit in the allegation and recommends that the Accounting Officer proceeds with the procurement process to its logical conclusion.