



**PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY**

*"Procurement That Delivers"*

**Our Ref: PPDA/UTCL/49**

9<sup>th</sup> July 2025

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

**BID PREPARATORY AUDIT EXERCISE FOR THE SUPPLY, INSTALLATION, IMPLEMENTATION, CUSTOMIZATION, TRAINING, SUPPORT AND MAINTENANCE OF ERP SYSTEM FOR UETCL UNDER PROCURMENT REF NO: UETCL/NCONS/2024-2025/00782**

Reference is made to our letter dated 20<sup>th</sup> June 2025 launching a bid preparatory audit on the above procurement.

Further reference is made to our letter dated 27<sup>th</sup> May 2025 wherein the Authority approved the use of the modified bidding document for the above mentioned procurement. In light of the complaints received pertaining to the restrictive evaluation criteria in the bidding document and our findings from the bid preparatory audit, the Authority hereby sets aside the earlier. You are guided to address the following issues:

**1. Excessive average minimum annual turnover**

In Section E(4) of Part 1: Section 4 Bidding Forms (page 32) of the bidding document and Section 5.3 (ii) of the Terms of Reference (page 206), the Entity required a minimum average annual turnover of USD 8,000,000 (UGX 29,000,000,000 equivalent) calculated as total certified payments received for contracts in progress or completed, within the last three (3) recent years.

The minimum average turnover of UGX 29,000,000,000 is four times more than the estimated value of procurement of UGX 7,000,000,000. This will disadvantage and discourage competitive participation of bidders and yet the value of the procurement and funds required is four times less than the requirement.

**Recommendation**

The Entity should revise the minimum annual average turnover in the bidding document to a maximum of two times the estimated value of procurement

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## 2. Restrictive specific experience criteria

- a) In Section C(6)(6.2)(1) on page 26 and Section E(6.2)(a) on page 32 of Part 1: Section 4 Bidding Forms of the bidding document and Section 5.2 (i) of the Terms of Reference (page 204), the Entity required the bidders' participation as an ERP prime supplier or JV member, in at least two (2) projects each of at least UGX 4,000,000,000 delivered to electricity utilities in the energy utility sector of not less than 500 employees within the last eight (08) years, of a similar nature, scope and complexity of an ERP system delivery, that have been successfully and substantially completed.

Limiting the specific experience to electricity utilities in the energy sector is restrictive due to the fact that it will alienate other competent ERP service providers that may have undertaken projects of such amounts in other sectors.

### **Recommendation**

The Entity should revise this criteria to include bidders with experience in implementing or delivering ERP systems and not limit the specific experience to only electricity utilities in the energy sector.

- b) In Section C(6)(6.2)(2) on page 26 and Section E(6.2)(b) on page 33 of Part 1: Section 4 Bidding Forms of the bidding document and Section 5.2 (ii) of the Terms of Reference (page 205), the Entity required that the bidders must have successfully completed at least two projects involving the development, design, supply, installation, and migration of the proposed computer hardware and storage solution. Supporting documentation should include contract pages or completion certificates, or recommendation letters. In a JV, the local partner must meet this requirement.

Requiring the experience of development, design, supply, installation, and migration of the proposed computer hardware and storage solution from only the local partner in a Joint Venture containing other members is restrictive as the Joint Venture may also have an international hardware supplier who meets this requirement.

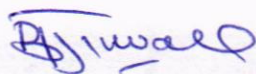
### **Recommendation**

The Entity should revise this criteria to allow for the experience in the development, design, supply, installation, and migration of the proposed computer hardware and storage solution to be held by any member of the Joint venture.

## 3. Restrictive joint venture requirement

Whereas the Entity required international bidders to form joint ventures with local bidders in Section 5.5 (i)(ii)(mandatory qualification requirements) of the Terms of Reference in the bidding document (page 206), the Entity limited the number of members for the joint venture to two.

Considering the nature of the ERP procurement which requires a software developer, and hardware supplier, a local provider and an implementor, limiting the joint venture partners to



only two members may limit competition. The software and hardware companies are mostly separate international companies, which also require an implementor and a local provider to meet this requirement. This would require already more than two partners in a joint venture.

#### **Recommendation**

The Entity should revise the minimum number of the joint venture members to not more than four companies to cater for a local company, a software developer/ company, a hardware supplier and an implementor of the system.

#### **4. Restrictive manufacturer partnership level requirement**

In Section 5.5 (v)(mandatory qualification requirements) of the Terms of Reference in the bidding document (page 206), the Entity required the bidder to be a platinum partner of the proposed hardware OEM in Uganda and hold certification as a Vendor certified Deployment & Support Partner for the proposed hardware. The Entity required proof in the form of certificates issued by the OEM and further required the local partner in the joint venture to meet this requirement.

Whereas the audit noted that the Entity attempted to cure this restrictive criteria through addendum 1 where the platinum partner requirement was downgraded to gold, this requirement remains redundant and restrictive because it requires a bidder to be a platinum or a gold partner of the proposed hardware OEM and an ERP procurement, whose major scope is software development. This favors hardware suppliers who make high volume purchases from manufacturers.

Secondly, a partnership level with a manufacturer should not be used as an evaluation criteria in a public procurement since the levels are awarded by the hardware manufacturer based on the volumes purchased from them by a provider.

#### **Recommendation**

The requirement that a bidder must be a gold partner of the proposed hardware OEM in Uganda should be removed from the qualification criteria.

#### **5. Inadequate planning and preparation**

The audit found that there was inadequate planning and preparation for the procurement prior to advertisement. Whereas the procurement was advertised on 15<sup>th</sup> May 2025, the Authority noted that the Entity commenced issuance of bidding documents to bidders 12 working days later on 30<sup>th</sup> May 2025. This resulted into the Entity extending the deadline of bid submission from 2<sup>nd</sup> July 2025 to 16<sup>th</sup> July 2025.

From the time of the advert, the Entity amended their bidding document to cater for a hybrid of consultancy and non-consultancy services, changed the evaluation methodology from Technical Compliance Selection to Quality and Cost Based Selection, sought and obtained approval of the amended bidding document from the Authority, changed the procurement method from open domestic bidding to open international bidding, sought and obtained another

approval of the method and revised bidding document from the Contracts Committee. All of these actions carried out post advertisement should have been done and concluded prior to running the advert.

**Recommendation**

The Entity should in future ensure that all the planning, pre-advertisement approvals and preparations are carried out and completed prior to publishing of advertisements.

**6. Misalignment of a section of the bidding document**

The Authority noted that the heading for Part 1: Section 3: Evaluation methodology and criteria was missing from the bidding document. It was replaced with Section 4: Bidding Forms on pages 24 – 33 and yet the contents thereunder were for the evaluation methodology and criteria. Such misalignment of the bidding document may confuse bidders and may become a potential source of conflict.

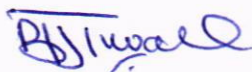
**Recommendation**

The Entity should correct the alignment of the section of the bidding document so that Part 1: Section 3: Evaluation methodology and criteria is correctly reflected as the heading for the evaluation methodology and criteria.

**Conclusion**

The Authority recommends that the above findings are immediately rectified and a revised copy of the bidding document resubmitted to the Authority for approval in accordance with Regulation 33(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), 2023.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise for implementation.



Benson Turamye

**EXECUTIVE DIRECTOR**

- cc: The Chairman, Contracts Committee
- cc: The Head, Procurement and Disposal Unit