



Guideline issued by the Public Procurement and Disposal of Public Assets Authority under Section 97 of the Public Procurement and Disposal of Public Assets Act, 2003

Details of this Guideline:

Guideline Subject: Reservation Schemes to promote local content and participation of women, youth and persons with disabilities in public procurement

Guideline Reference:/2023

Guideline Issue Date:

Reservation to promote local content and participation of women, youth and persons with disabilities in public procurement

Pursuant to Section 50 (2), 59B (1) and (2) of the PPDA Act, 2003, the Authority is mandated to specify and designate particular sectors that are eligible to participate in reservation schemes in order to promote use of local expertise and materials, promote the participation of local organisations and promote the participation of registered associations of women, youth and persons with disabilities.

Objective of the Guideline: To guide Procuring and Disposing Entities, local organisations and registered associations of women, youth and persons with disabilities on proper implementation of reservation schemes under the PPDA Act, 2003.

Definitions:

For purpose of this Guideline, unless the context otherwise requires:

“Community Based Projects” are projects designed to enhance quality of life for the more vulnerable members of society in a region, which advocate for community participation in decision-making and management, with a goal of using local knowledge and resources to run more effective projects;

“Geographical area” means the district or region of operation;

“Local provider” means a citizen of the EAC or company incorporated in any of the EAC Partner States and has been operational in any of the EAC Partner States for at least ten years with demonstrated evidence of doing business and complying with relevant statutory obligations;

“National provider” means a provider registered in Uganda and wholly-owned and controlled by Ugandans;

“Person with disability” means a Ugandan citizen with a substantial functional limitation of the person’s daily life activities caused by physical, mental or sensory impairment and environment barriers, resulting in limited participation in society on equal basis with others and includes an impairment specified in Schedule 3 to the Persons with Disabilities Act, 2020;

“Person with disability owned enterprise” means an enterprise that is registered with the relevant government body and is at least 51% owned, controlled and operated on a regular basis by one or more persons with disability who are Ugandan Citizens;

“Provider” means a natural person or an incorporated body including a consultant, contractor or supplier licensed by a competent authority to undertake business activities;

“Reservation” means exclusive preference to procure supplies, works and services set aside by threshold, type of contract or sector and many others as will be determined from time to time;

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“Resident provider” means a provider registered in Uganda who is not a national or local provider and has at least ten years of demonstrated evidence of doing business and complying with relevant statutory obligations;

“Woman” means a biological female Ugandan citizen aged 18 years and above;

“Women Owned Business Enterprise” means an enterprise that is registered with the relevant government body and is at least 51% women owned, controlled and operated on a regular basis by one or more women who are Ugandan citizens;

“Youth” means Ugandan citizens aged between 18-30 years;

“Youth Owned Enterprise” means an enterprise that is registered with the relevant government body, and has at least 51% youth membership and majority youth leadership.

1. Application

For purpose of protecting and ensuring the advancement of persons, categories of persons or groups previously disadvantaged by unfair competition or discrimination, reservation shall apply to:

- a) Women/women owned enterprises, youth/youth owned enterprises and persons with disabilities/persons with disabilities owned enterprises;
- b) Works, services and supplies or any combination thereof;
- c) Identified region (as shall be determined from time to time by a competent Authority); and
- d) Any other categories as may be prescribed.

2. Eligibility

In addition to the general qualification criteria as provided for in the Standard Bidding Documents, providers shall qualify to benefit from the reservation schemes to promote local content and participation of women, youth and persons with disabilities if they fall within any of the categories as specified

3. Registration

- a) Providers that are desirous of participating in public procurement shall apply and registered on the Authority's register of providers available at www.egpuganda.go.ug.
- b) Women, youth and persons with disabilities Owned Enterprises shall apply and be registered at a fee of UGX 50,000/= (Fifty Thousand Uganda Shillings only) annually on the women, youth and persons with disabilities Procurement Participation Database with the Authority and at other designated offices that the Authority may appoint at the Procuring and Disposing Entity within which

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they operate. This will be done by filling the form prescribed by the Authority in the Schedule to this Guideline.

- c) Where a PDE is appointed to register these persons and groups, all lists of registered enterprises from other designated offices shall be submitted to the Authority for consolidation and publication. This database shall be annually reviewed and updated.
- d) The documents required for registration of a women, youth, and persons with disabilities Owned Enterprise shall include: Proof of registration with the relevant government body, National Identification Cards, Business Registration Certificate or Certificate of Incorporation, Tax Identification Number (TIN) or its equivalent, trading license or its equivalent, Partnership Deed for partnership business, Memorandum/Articles of Association for registered companies among others.

4. Reservation for women, youth and persons with disabilities

A procuring and Disposing Entity shall:

- a) Reserve at least 15% of its procurement spend for supplies, works and services for women, youth and persons with disabilities and their Owned Enterprises within its geographical area;
 - b) Publish the list of the reserved procurements at the beginning of every financial year which shall include the areas and sectors for reservation.
- 5. Where a PDE fails to obtain a woman/woman owned enterprise, youth, persons with disabilities or their owned enterprises following a procurement process, the PDE shall open the procurement process to national providers.
 - 6. Where a service provided by a woman/woman owned enterprise, youth, persons with disabilities or their owned enterprises does not meet the price, quality and timeline for delivery required by a PDE, the PDE shall procure the same from a national provider.
 - 7. For the remaining 85% of the procurement spend, a PDE shall use the appropriate procurement method provided under the PPDA Act, 2003 and reserve the procurement to national, resident and local providers as prescribed below. A reservation shall allow competition amongst eligible providers. Where a provider is a Joint Venture, Association, Consortium or Partnership the individual parties of the provider shall be national, resident or local providers in order to be qualify as national, resident or local providers respectively.

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8. Thresholds applicable for a reservation to national providers

A procuring and disposing Entity shall apply the following thresholds for exclusive reservation to national providers:

No.	Category of procurement	Threshold
1.	Supplies domestically manufactured and assembled in Uganda	UGX 1 Billion and below
2.	Road works	UGX 15 Billion and below
3.	Other public works	UGX 10 Billion and below
4.	Consultancy Services for supervision of works	UGX 5 Billion and below
5.	Other Consultancy Services	UGX 300 Million and below
6.	Non Consultancy Services	UGX 300 Million and below

9. Where a PDE fails to obtain a National provider following a procurement process, the PDE shall open the procurement process to resident and local providers.

10. Where a service provided by a national provider does not meet the price, quality and timeline for delivery required by a PDE, the PDE shall procure the same from resident and local providers.

11. Thresholds applicable for a reservation to benefit resident providers and local providers

A Procuring and Disposing Entity shall apply the following thresholds for exclusive reservation to resident and local providers:

No.	Category of procurement	Threshold
1.	Supplies	Above UGX 1 Billion but not exceeding UGX 3 Billion
2.	Road works	Above UGX 15 Billion but not exceeding UGX 45 Billion
3.	Other public works	Above UGX 10 Billion but not exceeding UGX 15 Billion
4.	Consultancy services for supervision of works	Above UGX 5 Billion but not exceeding UGX 10 Billion
5.	Other consultancy services	Above UGX 300 Million but not exceeding UGX 1 Billion

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6.	Non-consultancy services	Above UGX 300 Million but not exceeding UGX 500 Million
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12. Where a PDE fails to obtain a resident or local provider following a procurement process the PDE shall procure from a foreign provider.

13. Notwithstanding 9 above, where a PDE establishes through a market survey that there is no local provider or national provider, the PDE shall open the procurement to foreign providers. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.

14. The procedure above shall be accompanied by information indicating:

- i. The nature of the services sought;
- ii. Whether similar services are readily available from national providers;
- iii. The reason for which the services are required;
- iv. The timeline for delivery required by the PDE, or body carrying out the procurement; and
- v. The cost of providing a similar service.

15. Sub-contracting:

- i. A PDE shall reserve 30% of the physical works through subcontracting of works to national provider(s) for procurements of road works above UGX 45 Billion and other works above UGX 15 Billion where the bidder is a foreign provider. More than one national provider may be engaged. The bidding documents shall include the requirement of subcontracting as part of the evaluation criteria where the bidder is a foreign provider.
- ii. A PDE shall include evaluation criteria in the bidding documents requiring the foreign provider to demonstrate in the bid document submitted the form or scope of subcontracting in the bid, the value and description of works to be subcontracted, the profile(s) of the proposed national providers indicating their capacity to undertake the works; and the engagement of the sub-contractor at the beginning of implementation of the contract.
- iii. The foreign provider shall avail to the Entity a sub-contracting agreement between the foreign provider and the proposed national provider(s) that were indicated in the bid document at least twenty-eight days after contract signing.
- iv. The Contract Manager and the Supervising Consultant of works shall ensure that the foreign provider subcontracts the works as indicated in its bid and where the subcontractor's contract is terminated by the foreign

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provider, the replacement shall be a national provider approved by the Entity.

- v. The Contract Manager or Supervising Consultant of works shall ensure resolution of all complaints between the subcontractor and the foreign provider in accordance with the dispute handling mechanism under the contract.

16. Attachment of Graduate Trainees: Contractors for contracts above UGX 5 Billion and strategic projects will be required to attach at least 5 graduate trainees of not more than 3 years after graduation to the technical aspects of the projects to ensure knowledge transfer.

17. Bidding fees: A Procuring and Disposing Entity shall not charge bidding fees to benefit participating women, youth and Persons with Disabilities and their Owned Enterprises in public procurement and disposal processes.

18. Reservations for Community based Projects

- i. Where applicable, Procurements for works, services or supplies below UGX 5 Million shall be reserved for the communities where the contract is being executed.
- ii. Contracts shall be awarded to communities which shall meet the terms and conditions of the contract, are national providers and/or supply local products.

19. Reservation for procurement of wood and wood products

- i. A reservation shall apply to procurements for the supply of wood and wood products such as; furniture, (which includes but not limited to: desks, chairs, beds and medical beds, wooden wardrobes and other products in the forestry sector like timber, steel-wood composite products, wooden transmission poles, pellets, paper and packaging) to providers that have manufacturing facilities in the EAC Region.
- ii. To be eligible under this reservation, the provider should:
 - a) Have the furniture (wood and wood products) certified by UNBS, a relevant competent authority or any other standards body within the EAC Region;
 - b) Provide evidence covering both the source of timber and proof that it is legal, sustainably managed and licenced from a competent Authority; and
 - c) Be registered on the Authority's Register of Providers.

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- iii. The following conditions shall apply to the Entity reserving the procurement of wooden furniture:
 - a) Use the appropriate procurement method and subject it to this reservation; and
 - b) Subject the testing of the sample of the supplies and deliveries by the relevant competent authority to certify the specifications.
- iv. Where the Entity is unable to get responsive bids from an eligible provider under this reservation, the Entity shall procure the supplies from a provider who is not eligible for this reservation. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.
- v. Where a foreign provider is awarded the contract, a reservation of all supplies manufactured in Uganda shall be subcontracted to national or resident providers.

20. Reservation for uniforms and related clothing materials

- i. A reservation shall apply to procurements for the supply of uniforms and related clothing materials to providers that have manufacturing facilities in the EAC Region.
- ii. The uniforms and related clothing materials shall include but are not limited to armed forces uniforms, health workers' uniforms, school uniforms, gowns/aprons, sweaters, ponchos, tents, backpacks, socks, T-shirts, warm suits, jackets, sleeping mats, bed sheets, curtains, fabric masks and Personal Protective Equipment.
- iii. To be eligible for this reservation, the provider should:
 - (a) Have a manufacturing facility in EAC producing uniforms and related clothing materials;
 - (b) Use locally grown cotton from the ginneries;
 - (c) Have products certified by the Uganda National Bureau of Standards (UNBS) or any other standard body within the EAC Region; and
 - (d) Be registered on the Register of Providers.
 - (e) Have a vertically integrated textile plant in the EAC Region with spinning, weaving, knitting, processing and garmenting facility.
- iv. The following conditions shall apply to the Entity reserving the procurement of uniforms and related clothing materials:

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- (a) Use the appropriate procurement method and subject it to this reservation; and
 - (b) Subject the testing of the sample of the supplies and deliveries by UNBS to certify confirmation to the specifications.
- v. Where the Entity is unable to get responsive bids from an eligible provider, the Entity may procure the supplies from a provider who is not eligible for this reservation. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.
- vi. Where a foreign provider is awarded the contract, a reservation of all supplies manufactured in Uganda shall be subcontracted to national or resident providers.

9. Reservation for procurement of electrical cables and conductors

- i. A reservation shall apply to procurements for the supply of electrical cables, conductors and bundle cables to providers that have manufacturing facilities in the EAC Region.
- ii. To be eligible for this reservation, the provider should:
 - (a) Have a manufacturing facility in the EAC Region;
 - (b) Have products certified by the Uganda National Bureau of Standards (UNBS) or an equivalent competent Standards Body in the region; and
 - (c) Be registered on the Register of Providers.
- iii. The following conditions shall apply to the Entity reserving the procurement of electrical cables and conductors:
 - (a) Use the appropriate procurement method and subject it to this reservation; and;
 - (b) Subject the testing of the sample of the supplies and deliveries by UNBS to certify conformation to the specifications.
- iv. Where the Entity is unable to get responsive bids from an eligible provider, the Entity may procure the supplies from a provider who is not eligible for this reservation. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.
- v. Where a foreign provider is awarded the contract, a reservation of all supplies manufactured in Uganda shall be subcontracted to national or resident providers.

10. Reservation for procurement of printing services

- i. A reservation shall apply to procurements for printing services to providers that have printing facilities in the EAC region.
- ii. A reservation of at least 60% of the value of the procurement of printing services shall apply to national and resident providers in the procurement of publishers for instructional and educational materials.
- iii. To be eligible for this reservation, the provider should:
 - a) Have a printing facility in within the EAC;
 - b) Be registered on the Authority's Register of Providers; and
 - c) Have products certified by the Uganda National Bureau of Standards (UNBS) or an equivalent competent Standards Body in the region.
- iv. The Entity reserving the procurement of printing services and related services shall use the appropriate procurement method and subject it to this reservation.
- v. Where the Entity is unable to get responsive bids from an eligible provider under this section, the Entity may procure the supplies from a provider who is not eligible for this reservation. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.
- vi. Where a foreign provider is awarded the contract, a reservation of at least 30% of the value of printing services shall be subcontracted to national or resident providers.

11. Reservation for procurement of transformers

- i. A reservation shall apply to procurements for supply of transformers to providers that have manufacturing facilities in the EAC region.
- ii. To be eligible for this reservation, the provider should:
 - a) Have a manufacturing facility in the region;
 - b) Have products certified by the UNBS where there is a national standard;
 - c) Have products affirmed to by the UNBS where there is no national standard.
- iii. The following conditions shall apply to the Entity reserving the procurement of transformers:

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- a) Use the appropriate procurement method and subject it to this reservation; and
 - b) Subject the testing of the sample of the supplies and deliveries by UNBS or any other standards body in the Region to certify conformation to the specifications.
- iv. Where the Entity is unable to get responsive bids from an eligible provider, the Entity may procure the supplies from a provider who is not eligible for this reservation. The Accounting Officer shall submit a report to the Authority within 10 working days from contract execution.
- v. Where a foreign provider is awarded the contract, a reservation of at least 30% of the value of contract shall be subcontracted to national or resident providers.

12. Engineering Procurement and Construction (EPC) and Turnkey Contracting Arrangements

- i. The reservation for procurement of furniture, transformers, electrical cables and conductors shall apply to all procurements including EPC and Turnkey contracting arrangements.
- i. For avoidance of doubt, Contractors shall procure furniture, transformers, electrical cables and conductors from local manufacturing facilities in all the above highlighted procurements.

13. Conditions to Facilitate Implementation of this Guideline

- i. The Youth, women and PWDs Owned Enterprises of persons shall submit a Bid Securing Declaration instead of bid security.
- ii. The requirement for average annual turnover should not exceed half the estimated value of the procurement.
- iii. The requirement for similar experience should not exceed two substantially completed contracts of the same value in the same sector and have similar features of the procurement according to the bidding documents.
- iv. A PDE shall apply the scheme with the highest advantage to the provider where a provider is entitled to more than one reservation scheme.
- v. Where an Entity intends to deviate from the standard bidding document, the Entity shall develop the document and submit it to the Authority for approval.

- vi. The Entity that develops its own documentation for use under a reservation scheme, shall use simplified evaluation methodology, and simplified bid submission method; or any other modification which would make the implementation of the reservation schemes possible.

14. Reservation to apply to Procurements funded by Government of Uganda and Development Partners

This Guideline shall apply to procurements which are funded by Government of Uganda and Development Partners. The reservation shall not apply to procurements funded by Development Partners where the conditions of funding limit the application of reservations.

15. Planning, Reporting and Monitoring

- i. PDEs shall disclose in their respective Procurement Plans the procurements that shall be subjected to reservation
- ii. The Procuring and Disposing Entities shall indicate in their monthly/quarterly and annual reports submitted to the Authority and PS/ST contracts that have been awarded/completed under the reservation schemes.
 - a) Reports under (ii) above shall:
 - (a) Certify compliance with the provisions of these Guidelines; and
 - (b) Provide data disaggregated to indicate the number of reservations awarded by a PDE.
 - b) A report shall be submitted by the Accounting Officer following any non-application of reservation schemes. The report to be submitted by the Accounting Officer shall indicate the following:
 - (i) the subject of procurement;
 - (ii) efforts undertaken to procure from a national or resident provider eligible for the reservation;
 - (iii) the contracted foreign provider and the contract price; and
 - (iv) reasons as to why the reservation could not be applied.
 - c) The Authority shall monitor the implementation of the reservation schemes by Entities on a quarterly basis and undertake an annual assessment based on predetermined indicators.
 - d) The Authority shall make a report to the Board for consideration by relevant MDAs which report shall contain details of the Entities' compliance.

16. Review of the Guideline

The Authority shall annually review the Guideline to assess its implementation and revisit the necessary provisions.

17. Transitional Provision

This Guideline shall not apply to procurements where bids had been received by the Entity at the commencement date of the Guideline.

18. Repeal of Guideline 1/2018

Guideline No. 1/2018 issued on 15th February 2018 is repealed.

Signed:

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**Chairman of the Board of
Directors**

Executive Director of the Authority

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

SCHEDULE (Clause 3(ii))

**APPLICATION FORM FOR WOMEN, YOUTH AND PERSONS WITH DISABILITIES
OWNED ENTERPRISES TO PARTICIPATE IN PUBLIC PROCUREMENT**

PART I: DETAILS OF THE APPLICANT

1. Name of Applicant
2. Physical Address
3. Postal Address:
4. Postal Code:
5. E-mail:
6. Phone No
7. Fax No
8. Contact Person

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9. Overview of the Enterprise

Type of ownership (please tick one)	[Sole Proprietor] [Partnership] [Limited Company] [Others Specify]
Number of employees	[0-5] [6-25] [26-49] [50-59] [100-250]
Number of Youth, Women, PWDs	
Initial Investments (UGX)	
Total Annual Sales (Turnover UGX)	
Experience in the sector in years	

Type of Ownership Details

Part 9 (a) — Sole Proprietor			
Name in Full		Age	
National Identification Number (NIN)			
Part 9 (b) — Partnership Details			
Name	Nationality	National Identification No.	%Shares
Part 9 (c) — Registered Company			
State the nominal and issued capital of company			
Nominal UGX. Issued UGX.....			
Directors' Details			
Name	Nationality	National Identification No.	%Shares

10. Bank Account Name:

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11. Branch of the Bank:
12. Bank Account Number:
13. Tax Identification Number (TIN):
14. Type of business: (tick appropriate sector) **SECTOR**

AGRIBUSINESS	TRADE	HOSPITALITY & ENTERTAINMENT
MANUFACTURING	SERVICES	ICT
CONSTRUCTION	OTHERS (SPECIFY)	

15. Prepared by (name in capital letter).....
Title:
Signature:Date

PART II: LIST OF ATTACHMENTS

The following attachments are essential for appraisal and you are required to ensure that they are all attached, failure to which your application may be rejected:

1. Copy of certificate of incorporation/registration;
2. TIN Certificate;
5. Original Bank Statement/Bank reference of not more than three months from date of applying;
6. Copy of certificate of registration with relevant regulatory bodies;
7. Business/Company profile; and
9. Copies of Annual Return Forms, filed by Limited Companies, the Business Names for business names (sole trader and partnerships), and a stamped receipt which bears the Accounts Stamp from the Registrar of Companies/Societies.