



05 JAN, 2025

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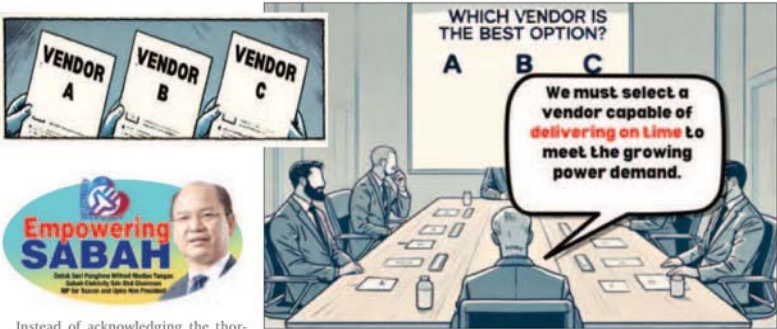
Daily Express (KK), Malaysia



The tendering process for Sabah Electricity projects

Datuk Seri Panglima Wilfred Madius Tangau
WHEN it comes to power supply projects in Sabah, much has been said about the tendering process. Often misunderstood and at times politicized, the intricate system that governs how vendors are selected deserves a clear explanation.
I must make it clear that the tendering process at Sabah Electricity is neither arbitrary nor simplistic.
It does not involve picking vendors at random or making decisions based on whims. Instead, it is a methodical and structured process designed to ensure fairness, transparency and the best outcomes for public utility projects.
Yet, criticisms often arise, typically from those who misunderstand or misrepresent the process. Such misconceptions, whether due to misinformation or intentional distortion, challenge the integrity of a system built to uphold public trust.
For context, Sabah Electricity adopts the SEB Tender Management System (STMS), a framework designed to meticulously handle procurement in a way that is impartial and robust.
In this, the tendering process involves eight critical stages, each specifically designed to ensure impartiality and efficiency. These stages include determining procurement needs, initiating the procurement process, selecting proposals, seeking approvals, navigating the procurement approval process, preparing award documentation, managing contracts and finalizing payments.
The journey begins with determining procurement needs, the foundational step that sets the entire process in motion. This stage acts as the starting point (pemula), where preliminary cost estimates are carefully prepared.
These estimates are not illogical but are derived through detailed internal discussions and meetings. This ensures that the project requirements are clearly defined, the budget is realistic and the procurement aligns with the organization's broader strategic objectives.
Once the need is established, the procurement process begins. Tender invitations are issued and submissions are received and securely handled. A dedicated tender opening room is used to ensure the integrity of submissions, followed by evaluations conducted in strict confidence. This ensures that no outside influence can interfere, and all bids are given fair consideration based on predefined criteria.
One of the critical phases is the evaluation

and selection of proposals. Here, a Tender Evaluation Committee is formed, composed of personnel bound by an Integrity Pact, a formal declaration ensuring ethical conduct and adherence to anti-corruption standards.
At this stage, tenders are scrutinized not just for their cost but for their overall feasibility, technical compliance and the vendor's capacity to deliver. Contrary to common misconceptions, the lowest bid does not automatically win. A holistic approach ensures that the chosen vendor can meet the project's demands without compromising quality or reliability.
Approval of the selected tender involves another layer of scrutiny. Memoranda and detailed evaluations are presented to the Relevant Approving Authority (RAA). This is not a rubber-stamp process but rather, it involves thorough discussions, comparisons and recommendations.
Only after this approval can the process move forward. Approval doesn't rest on a single individual or department. Various committees deliberate on the recommendations, carefully considering all aspects before finalizing the award. It is an in-depth, layered approach designed to prevent any conflicts of interest or lapses in judgment.
The award documentation phase formalizes the selection, preparing legal agreements such as the Letter of Agreement (LOA) and other necessary documents. Following this, contract management begins. This stage involves monitoring the project's progress, addressing issues and ensuring compliance with agreed terms.
It is only upon satisfactory completion of the work that the final stage, payment is executed. Even here, due diligence is observed to confirm the accuracy of invoices and adherence to contractual terms.
Payment is only processed after confirming that the work meets agreed-upon standards. This disciplined approach reflects a commitment to accountability at all levels.
Despite our efforts, the process is often misunderstood or misrepresented. I urge everyone to please stop politicizing power supply initiatives!
Ironically, this is the same message I emphasized during our Vendor Day program last year, where the Battery Energy Storage System (BESS) project, instead of being embraced as a step forward, was met with criticism from groups who claim to be concerned but aren't offering any real solutions.



Instead of acknowledging the thorough work behind the project, detractors have focused on unfounded claims, diverting attention from the broader goal of improving power reliability for the people.
Let me be clear. Sabah Electricity's tendering process is not a tool for political agendas or personal interests.
It is a structured system designed to ensure public resources are used efficiently and projects are awarded to capable vendors. Final decisions are made by the TNB board of directors, after going through due diligence involving the Finance and Investment Committee (FIC) and the Board Tender Committee.
To speak specifically about the BESS project, the FIC was only keen to talk to a properly selected consultant to answer queries. The Tender and Evaluation Committee from Sabah Electricity is still not good enough for the FIC. Additionally, during the tender board's evaluation, I can personally vouch that shortlisted vendors were chosen based on the data presented in the tender document submission by the vendors identified only as A, B, C etc and not by name of the vendors.
The evaluation was entirely merit-based, focusing solely on compliance of technical specifications, the price offered and the delivery timeline. As mentioned earlier, the evaluation was conducted in such a manner that the identities of the companies remained anonymous throughout the process.
For the information of the public, any project costing over RM100 million, the final approval is by the Board of Directors of Tenaga Nasional Berhad (TNB). Sabah Electricity does not have the authority to finalize this decision.

In the case of the BESS, it took more than eight months to decide from the time of the opening of the tender submission. Indeed the process for this tender was notably lengthy. Even to begin opening the tender took a considerable amount of time, as it started in November last year and was only finalized in August 2025.
This delay was partly due to the need to hire a consultant to thoroughly assess the economics of the Battery Energy Storage System (BESS), a first for Malaysia. Given the scale of the project and the introduction of new technology, selecting the right vendor and forming a consortium with international partners was important.
Yes, while there were lower-priced bids, a vendor offered a slightly higher price but with the capacity to deliver won within the urgent timeframe needed to meet the critical demand for power generation in Sabah, namely to achieve a stable reserve margin.
The decision factored in necessary processes like System Integration Testing (SIT), a quality assurance measure requiring at least three months before commissioning.
Confidentiality is a cornerstone of our tendering process. Yet, breaches of this confidentiality often lead to misinformation, undermining public trust and the integrity of our systems.
I often find myself wondering how confidential tender information makes its way into the public domain. From what source does it come? For me, safeguarding the confidentiality of bids and evaluation outcomes is not just a matter of principle but also a legal obligation.
When this confidentiality is compromised, it tarnishes the integrity of the

entire process and damages the credibility of the systems in place. The Board of Directors of Sabah Electricity is finding ways and means to ensure that leakages of information are avoided at all cost.
I want to make it clear again that we are fully committed to ethical conduct, and this is proven by our decision to implement the Anti-Bribery Management System (ABMS), certified under MS ISO 37001:2016.
This certification demonstrates Sabah Electricity's ongoing effort to fight bribery and maintain transparency in all our operations.
We have also signed a Memorandum of Understanding (MOU) with the Malaysian Anti-Corruption Commission (SPRM), further strengthening our commitment to integrity and accountability in everything we do.
Since August 2023, Sabah Electricity has been operating under this framework, placing us among the top three government-linked companies (GLCs) in Sabah to earn this certification.
It's disappointing that, despite the consistent updates I've shared, some still fail to recognize the importance of this achievement.
So, I ask that instead of politicizing or questioning the integrity of these initiatives, we take the time to understand the hard work behind them. It's been a trying time for us to explained to those with doubts and we will continue to provide the explanation.
If we are serious about improving Sabah's energy infrastructure and ensuring a reliable power supply these processes deserve respect, not baseless criticism.