



Republic of Mauritius

# ANNUAL REPORT

January 2015 to June 2016

**PROCUREMENT POLICY OFFICE**

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT



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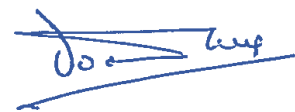
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In compliance with the statutory requirement under section 7B of the Public Procurement Act 2006, for the Procurement Policy Office to report on its activities for the previous financial year, I submit herewith the Report of the Office for 18 months covering the period January 2015 to June 2016 as there has been a policy change in reporting from calendar year to fiscal year June-July in year 2015.

The report highlights quick facts on value of procurement contracts awarded during the reporting period, implementation of measures to improve public procurement and more important the launching of the Government e-Procurement System (e-PS) on 28 September 2015.

Those public bodies that have boarded the e-PS are already reaping the benefits in the application of technology in their work environment. The challenge for the Office is to scale up capacity building of public officials with a view to bring most of the high spend public bodies to carry out their procurement on line through the e-PS and deepen Government to Business (G2B) transactions.



**M. Dhoorundhur**  
Director  
5 December 2016

# VISION, MISSION AND STRATEGIC OBJECTIVES

*“Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organisational objectives. It is the fuel that allows common people to attain uncommon results.”*

*Andrew Carnegie*



## Vision

“A world class procurement system for Mauritius”



## Mission

“Promote the development of a modern and efficient public procurement system for Mauritius based on international best practices through close monitoring, regular audits, review, capacity building and research”



Maximise economy and efficiency in public procurement and obtain best value for public expenditures



Promote competition and foster participation in public procurement proceedings

**Strategic**



Promote integrity, fairness, accountability and public confidence in the public procurement process





# Objectives



Contribute to the economic development of Mauritius through an efficient public procurement system

Provide equal opportunity and equitable treatment to all suppliers and bidders



Ensure transparency in the procedures, processes and decisions relating to public procurement





# PART A

# OVERVIEW

*"The beginning is the most important part of the work."*

*Plato*



- Quick Facts
- The public procurement system
- The legal framework
- Stakeholders in Public Procurement

## Quick Facts

**Table 1: Total Number of Public Procurement Contracts Awarded (above Rs 100,000)**

Category of Procurement	2011	2012	2013	2014	2015	2016 (Jan-June)
Goods	2,171	1,666	3,525	4,184	3,792	1,825
Works	577	422	596	725	651	462
Consultancy Services	54	26	139	175	113	36
Other Services	347	436	579	856	973	465
Total	3,149	2,550	4,839	5,940	5,529	2,788

**Table 2: Value of Public Procurement Contracts (above Rs 100,000) awarded (Rs B)**

Category of Procurement	2011	2012	2013	2014	2015	2016 (Jan-June)
Goods	2.26	4.82	5.34	4.64	5.24	2.53
Works	5.89	3.10	6.14	9.92	3.36	1.90
Consultancy Services	0.07	0.16	0.58	0.52	0.29	0.80
Other Services	0.38	1.63	1.54	1.61	1.60	0.89
Total value of contracts awarded	8.60	9.71	13.6	16.69	10.49	6.12

**Table 3: Total Value of Public Contracts awarded to SMEs per category of procurement (above Rs 100,000)**

Category of Procurement	2012	2013	2014	2015	2016 (Jan-June)
Goods (Rs M)	211.7	757.7	654.7	747.9	498.1
Works (Rs M)	187.3	650.1	432.7	813.3	321.7
Consultancy Services (Rs M)	4.1	27.0	17.2	12.9	6.7
Other Services (Rs M)	70.0	221.3	252.3	189.1	144.1
Total (Rs M)	473.1	1,656.1	1,356.9	1,763.2	970.6

**Table 4: Total Value of Contracts awarded to SMEs (above Rs 100,000) as a percentage of Total Value of all Contracts**

Value of Contracts	2012	2013	2014	2015	2016 (Jan-June)
SMEs only (Rs M)	473	1,656	1,357	1,763	971
All Contracts (Rs M)	9,707	14,666	16,685	10,496	5,412
Percentage of Contracts to SMEs	4.9 %	11.3 %	8.1 %	16.8 %	17.9 %

**Table 5: Cases filed at Independent Review Panel**

Year	No. of Cases	Merit	No Merit	Withdrawn	Cases dismissed	Conflict of interest	Set aside	Cancelled by Public Body	Remarks
<b>2011</b>	35	9	10	9	1	0	0	1	5 (disposed)
<b>2012</b>	40	8	14	6	5	0	2	0	5 (disposed)
<b>2013</b>	35	7	11	13	1	0	2	0	1 (disposed)
<b>2014</b>	44	20	8	4	9	3	0	0	0
<b>2015</b>	38	15	9	5	2	7	0	0	0
<b>2016 (Jan-June)</b>	15	2	2	6	0	3	0	1	1 case ongoing

Source: Independent Review Panel (IRP)

## 1.0 THE PUBLIC PROCUREMENT SYSTEM

1.1 As part of its functions, Government procures goods, works and services through its public bodies in order to enable it meet its policy and business objectives in the delivery of better public services, creating an environment for private sector development and economic growth.

1.2 The public procurement process covers the whole public project life cycle from the definition of the needs of the public service, what is to be procured to continue meeting those needs throughout the useful life of an asset and /or the end of a contract.

1.3 Whilst carrying out public procurement proceedings, public bodies have to ensure, amongst others, the application of the following guiding principles:

- Open, transparent and fair procurement process
- Achieving Value for Money
- Promoting equality of opportunity for all bidders
- Promoting innovation
- Encouraging environmental sustainability

1.4 In adhering to these principles, and as per international best practices, sections 2 and 3 below gives an over view of the public procurement framework of the Republic of Mauritius.

## 2.0 THE LEGAL FRAMEWORK

2.1 The Public Procurement Act (PPA) which was enacted in December 2006, became in force in January 2008 with the purpose to “provide for the basic principles and procedures to be applied in, and regulate, the public procurement of goods, public works, consultant services, and other services and for the institutions responsible for those matters<sup>1</sup>”. It is benchmarked on the procurement procedures and principles of the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement.

2.2 The following Regulations, complementing the PPA have been made as per section 61 of the Act:

- (1) Public Procurement Regulations 2008;
- (2) Public Procurement (Suspension and Debarment) Regulations 2008;
- (3) Public Procurement (Framework Agreement) Regulations 2008;
- (4) Public Procurement (Disqualification) Regulations 2009;
- (5) The Public Procurement (Diplomatic Missions of Mauritius) Regulations 2014;
- (6) Public Procurement (Electronic Bidding System) Regulations 2015.

2.3 Furthermore, a set of Standard Bidding Documents and a number of Circulars, Directives and Guidelines have been issued to facilitate public bodies in carrying out their procurement activities in compliance with the PPA. These are available on the Procurement Policy Office’s website: <http://ppo.govmu.org>.

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*1. Public Procurement Act 2006, Object*

## 3.0 THE STAKEHOLDERS IN PUBLIC PROCUREMENT

3.1 The stakeholders involved in the public procurement process as per the Public Procurement Act (PPA) 2006 are as follows:

- (i) Procurement Policy Office;
- (ii) Central Procurement Board;
- (iii) Independent Review Panel;
- (iv) Public bodies; and
- (v) Bidders.

(i) *Procurement Policy Office (PPO)*

3.2 The PPO has been set up under the PPA as an independent body under the aegis of the Ministry of Finance and as per the Act it shall:

- a) issue instructions to public bodies concerning the coordination of their actions with the PPO, the Central Procurement Board and the Independent Review Panel;
- b) where appropriate, designate a public body to enter into and manage a framework agreement on its own behalf and that of other public bodies, or on behalf of other public bodies;
- c) formulate policies relating to procurement, including directives, procedures, instructions, technical notes and manuals, for the implementation of the Act;
- d) issue standard forms of contracts, bidding documents, pre-qualification documents, requests for proposals and other similar documents for mandatory use by every public body implementing procurement;
- e) collect from the Central Procurement Board, the Independent Review Panel and public bodies information on procurement activities and monitor their compliance with the Act;
- f) act as a focal point to guide the Central Procurement Board and public bodies with a view to ensuring consistency in the application of this Act and any regulations made under the Act;
- g) attend to complaints from bidders or suppliers and advise the Central Procurement Board or public bodies on the appropriate course of action;
- h) recommend, and facilitate the implementation of, measures to improve the functioning of the procurement system, including the operation of annual procurement planning, the introduction of information and communications technology and the dissemination of publications and the setting up of websites dedicated to procurement;
- i) prepare and conduct training programmes for public officials, contractors and suppliers concerning procurement;
- j) solicit the views of the business community on the effectiveness of the procurement system;
- k) present an annual report to the Minister regarding the overall functioning of the procurement system;

- l) communicate and cooperate with international institutions and other foreign entities on matters of procurement;
- m) advise on and monitor foreign technical assistance in the field of procurement;
- n) advise the Financial Secretary regarding delegation of financial authority to public officers enabling them to approve contract awards and changes to contracts of a financial nature and the annual review of such delegations; and
- o) perform such other functions as may be assigned to it by the Financial Secretary.

3.3 The PPO is administered by a Director and two members. The personnel is comprised of 24 staff from the analyst cadre, procurement cadre and general administration.

(ii) *Central Procurement Board (CPB)*

3.4 The CPB is also established under the PPA with the responsibility to approve the award of major contracts by public bodies, the values of which exceed the prescribed amounts. The Act provides that, in respect of major contracts, the CPB shall, inter alia:

- a) vet bidding documents and procurement notices submitted by public bodies;
- b) receive and publicly open bids;
- c) select persons from a list of qualified evaluators maintained by it to act as members of Bid Evaluation Committees and oversee the examination and evaluation of bids;
- d) review the recommendations of a Bid Evaluation Committee and approve the award of the contract; or require the Evaluation Committee to make a fresh or further evaluation on specified grounds;
- e) review the recommendations of a public body with respect to an amendment that increases the contract value and approve the variation or amendment proposed, require the public body to make a fresh recommendation or reject the variation or amendment proposed (post reporting period change in PPA); and
- f) award public-private partnership/build operate transfer projects.

3.5 It is also provided that, in the discharge of its functions, the Board may:

- a) call for such information and documents it may require from any public body;
- b) examine such records or other documents and take copies or extracts from them;
- c) commission any studies relevant to the determination of the award of major contracts; and
- d) request any professional or technical assistance from any appropriate person in Mauritius or elsewhere.



3.6 The CPB is constituted of a Chairperson, two Vice-Chairpersons and three Members having wide experience in legal, administrative, economic, financial, engineering or technical matters as per the provisions of the Public Procurement Act. The Management is composed of a Chief Executive supported by an administrative staff and a technical team of professionals comprising, amongst others, engineers and procurement officers.

*(iii) Independent Review Panel (IRP)*

3.7 The IRP is constituted, as per the PPA, of a Chairperson, a Vice-Chairperson and four (4) other persons having wide experience in legal, administrative, economic, financial, engineering, scientific, or technical matters and it operates in two divisions.

3.8 The IRP is established under the PPA to review applications from unsatisfied bidders, who have in a first instance challenged the procurement proceedings by a public body. The Public Procurement Regulations 2008, as amended, provide for requirements of the review process. With a view to discourage frivolous applications, applicants to the IRP have to submit a security deposit along with their application for review. This amount is forfeited if the application is determined to be made on a frivolous ground. Furthermore, as procurement proceeding is suspended once a case is file with IRP, the IRP is required to determine cases expeditiously within a period of 30 days, failing which the public body can decide to award the contract. Where a public body considers that delaying the award of a contract which is suspended by IRP would seriously jeopardise the contract deliverables, the public body may issue a certificate of urgency to the IRP, in which case the IRP waives the suspension and the public body may award the contract.

*(iv) Public bodies*

3.9 A public body is defined in the PPA as “any Ministry or other agency of the Government.” There are 204 public bodies, including, Ministries, Departments, Local authorities and Parastatal organisations, which fall under the purview of the PPA. The public body is the legal entity responsible for public procurement of goods, works, consultancy or other services. They are heterogeneous in terms of administrative structure and value of procurement.

3.10 For procurement of a value below its prescribed amount, which is as specified in the Schedule to the PPA, a public body is responsible for itself carrying out its procurement proceedings as per the principles and procedures set by the PPA. On the other hand, for procurement above its prescribed amount, whilst the public body prepares the bidding documents, floats the Invitation for Bids (IFBs) the CPB is responsible for vetting the documents, receipt of the bids, evaluation of bids and recommending award of the related contract by the public body.

*(v) Bidders*

3.11 An important stakeholder in the public procurement process is the bidder. According to the PPA, a bidder refers to a participant or potential participant in the public procurement exercise, from whom a public body acquires goods, works, or consultancy or other services by purchase, lease or any other contractual means.

PART B

TREND

*“What gets measured, gets managed”*

*Peter Drucker*



- Policy Trend
- Public Procurement Trend
- SMEs Participation Trend

## 4.0 POLICY TREND

4.1 Although the procurement phase is only a subset of the project management cycle, decisions on policy related to public procurement can have tremendous impact on economic and social development of a country.

### *Budget Measures relating to Public Procurement*

4.2 Over the reported period, the following policy decisions with regards to public procurement in Mauritius were announced as part of Budget 2015/2016 exercise: "The Principle of meritocracy will also be extended to procurement procedures. In view of the opacity surrounding allocation of contracts in the past which has led to shady deals and widespread corruption, we have decided, as a matter of transparency that all contracts will henceforth be allocated after full and transparent tender procedures. The Public Procurement Act will be amended accordingly."

### *Amendments to PPA*

4.3 The following amendments were made to the PPA in May 2015 through the Finance (Miscellaneous Provisions) Act 2015:

- (i) Improving the institutional set up, more specifically, with respect to the functions of the Chief Executive of the CPB and the responsibilities of the Chairperson and Vice Chairperson of the Independent Review Panel (IRP);
- (ii) Enhancing the evaluation process in respect of abnormally low bid;
- (iii) Making the Chief Executing Officer of each public body, validate that all public procurement rules have been followed before awarding a contract;
- (iv) Setting the maximum lead time for the review process at the IRP at 30 days; and
- (v) Increasing the prescribed amount for the Rodrigues Regional Assembly to follow the procurement process through the CPB, from Rs 15 million to Rs 25 million.

### *Implementation of Budget Measures*

4.4 Following a decision of the Budget Implementation Committee (BIC) chaired by the then Minister of Finance and Economic Development (MoFED) on 25 March 2015, a BIC Sub Committee (BICsc) on Procurement facilitation was set up under the chairmanship of Mr. M. Dhoorundhur, Director PPO. The other members of that committee were Mr. M. Baguant, Chairperson CPB, Mr. K. Dosieah, Secretary CPB, Mr. R. Laulloo, Chairperson IRP, Mr. V. Soondram, Director MoFED, Mrs. S. Appanah, Lead Analyst MoFED and

Mr. J. Ramsing, Manager Procurement and Supply MoFED with Mr. D. Khoodeeram, Analyst/ Senior Analyst acting as the Secretary.

4.5 As required by the BICsc, the PPO requested inputs from 90 sampled public bodies out of which 37 responded in proposing amendments to the Public Procurement Act/ Regulations that could relieve constraints in procurement proceedings. The BICsc filtered the submissions that were classified under 71 headings - some of the issues raised had already been addressed whilst others were being attended, and a few had merits for further consideration. These measures were implemented mainly by issuing Directives and amending/issuing Regulations.

## 5.0 PUBLIC PROCUREMENT TREND

5.1 The volume of public procurement activities in a country depends on various factors including the health of the national and international economy, government's policy on public procurement as well as externalities such as general election that was held on 14 December 2014.

5.2 Procurement data has been collected by the PPO from public bodies for the purpose of analysing public procurement trend. Out of the 204 public bodies, 165 of them have submitted their data for the year 2015 and 119 of them have submitted for the period January to June 2016. It is to be noted that the public bodies which did not send their returns are either those for which there had been no procurement activities or were undertaken by parent ministries and for which the procurement activities are not significant (mostly below Rs. 100,000).

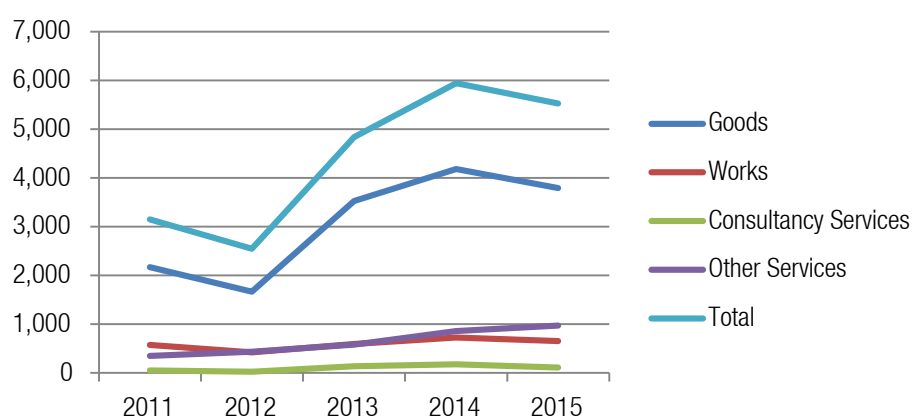
### *Analysis of the Number of Contracts Awarded*

5.3 The total number of contracts awarded through public procurement (above Rs 100,000) fell from 5940 in 2014 to 5529 in year 2015 representing a decrease of around 6.9 % as compared to year 2014. This fall is mainly due to a reduction in the number of contracts awarded for goods by 392 (-9.4%), works by 74 (-10.2%) and consultancy services by 62 (-35.4%). In contrast, within these categories, the number of contracts for other services increased by 117 (13.7 %) in year 2015. Details of the number of contracts awarded over the past five years as per category of procurement are provided in Table 6 and displayed in Figure 1.

**Table 6: Number of Public Procurement Contracts Awarded (above Rs 100,000)**

Category of Procurement	2011	2012	2013	2014	2015	2016 (Jan-June)
Goods	2,171	1,666	3,525	4,184	3,792	1,825
Works	577	422	596	725	651	462
Consultancy Services	54	26	139	175	113	36
Other Services	347	436	579	856	973	465
Total	3,149	2,550	4,839	5,940	5,529	2,788

**Figure 1: Number of Public Contracts Awarded**



5.4 Given the transition of the Government National Budget from the Calendar Year to Fiscal Year (July to June) in 2015, this Report has included figures collected for the six month ending June 2016. Whilst these figures show the confirmed tendency for a decrease in average number of contracts awarded for consultancy services, the average number of contracts for works has shown a rising trend.

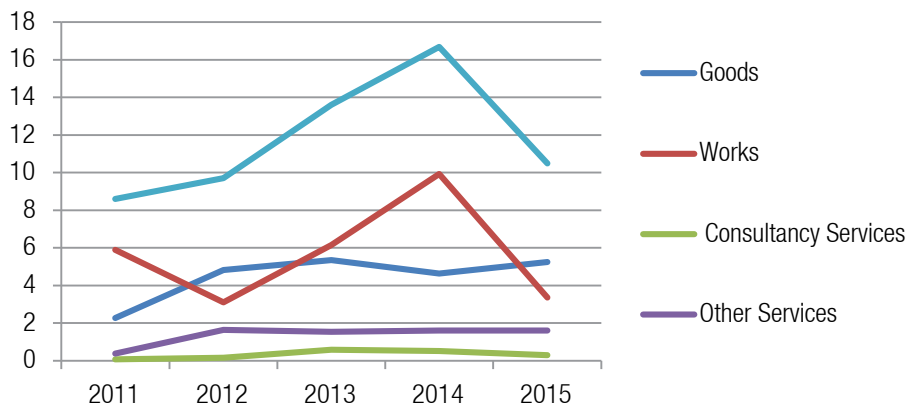
#### *Analysis by Value of Public Procurement Contracts*

5.5 An analysis of the value of contracts awarded through public procurement (above Rs 100,000) shows a downward trend, falling from Rs 16.7 billion in year 2014 to Rs 10.5 billion in year 2015 representing a fall by 37.1 % as compared to year 2014. This decrease is mainly due to a reduction in the value of works contract awarded in 2015 which fell by 66.1 % from an amount of Rs 9.92 billion to an amount of Rs 3.36 billion. The procurement figures, however, show an improvement in the value of goods contracts that increased by 12.9% from Rs 4.64 billion to Rs 5.24 billion. Table 7 details the values of public contracts of above Rs 100,000 for the period covering January 2011 to June 2016. The trend is displayed in Figure 2.

**Table 7: Total Value of Public Procurement Contracts (above Rs 100,000) awarded (Rs billion)**

Procurement Category	2011	2012	2013	2014	2015	2016 (Jan-June)
Goods	2.26	4.82	5.34	4.64	5.24	2.53
Works	5.89	3.10	6.14	9.92	3.36	1.90
Consultancy Services	0.07	0.16	0.58	0.52	0.29	0.80
Other Services	0.38	1.63	1.54	1.61	1.60	0.89
Total value of contracts awarded	8.60	9.71	13.6	16.69	10.49	6.12

**Figure 2: Value of Public Contracts Awarded by Category (Rs billion)**



5.6 For the half-year January to June 2016, the analysis shows a relative improvement in the overall value of public procurement contracts.

#### Share of Value of Public Contracts awarded in the National Economy

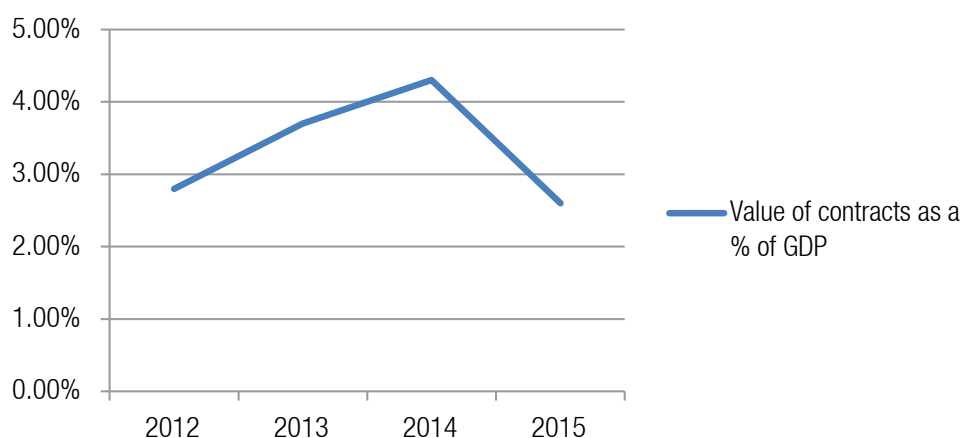
5.7 The contribution of public procurement to the national economy declined in 2015. This is indicated in Table 8 with a decrease in the total value of public procurement contracts awarded as a percentage of Gross Domestic Product (at current market price) from 4.3 % in 2014 to 2.6 % in 2015. Figure 3 illustrates the decrease in 2015.



**Table 8: Total Value of Public Procurement Contracts Awarded (above Rs 100,000) as a percentage of Gross Domestic Product**

Procurement Category	2012	2013	2014	2015
Total value of contracts awarded (Rs B)	9.71	13.6	16.69	10.49
Gross Domestic Product (GDP) at current market prices (Rs B)	349.40	371.05	390.69	408.31
Total value of contracts as a percentage of GDP	2.8 %	3.7 %	4.3 %	2.6 %

**Figure 3: Value of Public Contracts Awarded as a Percentage of GDP**



## 6.0 SMES PARTICIPATION

6.1 The participation of Small and Medium Enterprises (SMEs) in overall public procurement has shown an upward trend in 2015 as shown in *Table 9*. The total value of contracts (above Rs 100,000) awarded to SMEs increased by 30% from Rs 1356.9 million to reach Rs 1763.2 million in 2015. This increase is mainly attributed to the increase in number of contracts awarded for works (+88%) and goods (+14%). The figures for January to June 2016 also tend to confirm the upward trend.

**Table 9: Value of Public Contracts Awarded to SMEs per Category of Procurement (above Rs 100,000)**

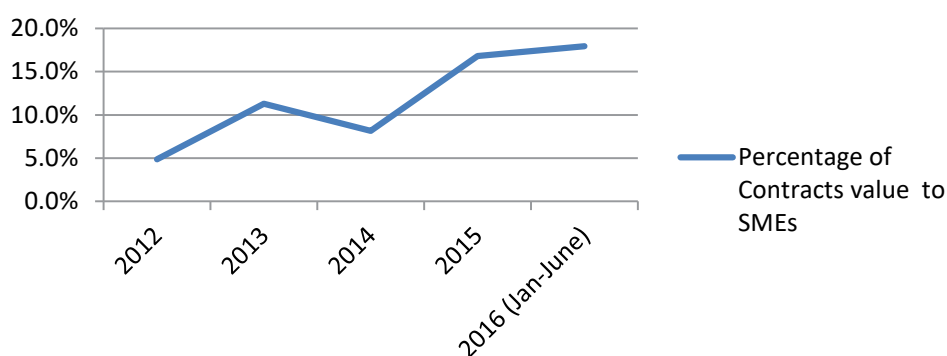
Category of Procurement	2012	2013	2014	2015	2016 (Jan-June)
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Works (Rs M)	187.3	650.1	432.7	813.3	321.7
Consultancy Services (Rs M)	4.1	27.0	17.2	12.9	6.7
Other Services (Rs M)	70.0	221.3	252.3	189.1	144.1
Total (Rs M)	473.1	1,656.1	1,356.9	1,763.2	970.6

6.2 Table 10 confirms the increase in the value of public contracts awarded to SMEs. The share in the value of contracts awarded to SMEs as a proportion to all contracts awarded by public bodies increased from 8.1% in 2014 to 16.8% in 2015. This upward trend is supported in the first six months of 2016 with a share of 17.9% of total value of public contracts as illustrated in Figure 4.

**Table 10: Total Value of Contracts awarded to SMEs (above Rs 100,000) as a Percentage of Total Value of All Contracts**

Value of Contracts	2012	2013	2014	2015	2016 (Jan-June)
SMEs only (Rs M)	473	1,656	1,357	1,763	971
All Contracts (Rs M)	9,707	14,666	16,685	10,496	5,412
Percentage of Contracts to SMEs	4.9 %	11.3 %	8.1 %	16.8 %	17.9 %

**Figure 4: Value Public Contracts awarded to SMEs as % of total contracts**



# PART C

# INNOVATION

*"A journey of a thousand miles begins with a single step"*

*Lao Tzu (Philosopher)*



- e-Procurement System
- Framework Agreement
- Build Operate Transfer Framework

## 7.0 THE GOVERNMENT e-PROCUREMENT SYSTEM (e-PS)

7.1 Launched on 28 September 2015, the Government e-Procurement System (e-PS), will digitise the public procurement process by bringing all 204 public bodies online to carry out their public procurement processes electronically. This project aims to transform the way in which approximately 5000 local and foreign suppliers do business of selling to Government as well as improving the productivity and efficiency of about 3500 public officers who are involved in public procurement processes of buying from those suppliers. It will collapse bureaucracy and deepen the use of ICT in the work environment.

### *e-PS Project Status*

7.2 The implementation of the e-PS consists of three Phases:

- (i) Phase 1 consists of online supplier registration and online preparation of Invitation of Bids (IFBs) up to submission and opening of bids online for Open Advertised Bidding. This phase started on 28 September 2015 with first IFB issued on line by the Police Department;
- (ii) Phase 2 consists of the online evaluation of bids, challenge and appeal, MIS Reports and digitising procurement processes up to award for all the procurement methods. Testing of these functionalities in e-PS has been completed and will be released gradually in the fourth quarter of 2016 after training of e-PS users and managing change into the new work environment; and
- (iii) Phase 3 consists of conducting online Framework Agreement, Reverse Auction and Contract Monitoring. These functionalities are currently undergoing user testing and fine tuning.

### *Status of Phase 1 e-PS roll out*

7.3 Since its launch on 28 Sep 2015, apart from working with Nextenders, the e-PS software supplier, on Phase 2 and 3, the PPO has strived in managing change towards progressively bringing public bodies and suppliers online on the e-PS. The tables below show activity on e-PS as at 30 June 2016.

**Table 11: e-PS Activity: Number of Suppliers and Public Bodies On line, IFBs issued & DSCs issued**

No of Suppliers Registered online	No of IFBs Published online	No of Public Bodies on e-PS	Digital Signature Certificates (DSC) sold by Mauritius Post as at 30th June
<b>174</b>	22	7	53 Hard Tokens 80 Soft Tokens

**Table 12: List of Public Bodies Online on e-PS**

SN	Public Body	No of IFBs
<b>1</b>	Central Water Authority	11
<b>2</b>	Mauritius Police Force	4
<b>3</b>	Ministry of Youth and Sports	3
<b>4</b>	Ministry of Public Infrastructure	1
<b>5</b>	Municipal Council of Beau Bassin-Rose Hill	1
<b>6</b>	Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Island	1
<b>7</b>	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	1

**Table 13: Training of Local Suppliers**

No. of Companies trained	No. of Individuals trained	Contact Hours	No. of Training Sessions
192	312	354	118

**Table 14: Training of Change Agents in Public Bodies for Change Management**

Public Bodies	No of Individuals Trained	Contact Hours	No. of Training Sessions
Mauritius Police Force	15	24	8
Ministry of Environment, Sustainable Development, and Disaster and Beach Management	15	18	6
Central Water Authority	10	21	7
Ministry of Public Infrastructure	10	18	6
Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Island	10	24	8
Ministry of Youth and Sports	10	18	6
Municipal Council of Beau Bassin-Rose Hill	9	21	7
Central Procurement Board	3	6	2
Prime Minister's Office	9	18	6
Total	91	168	56

### *Onboarding Workflow for e-PS*

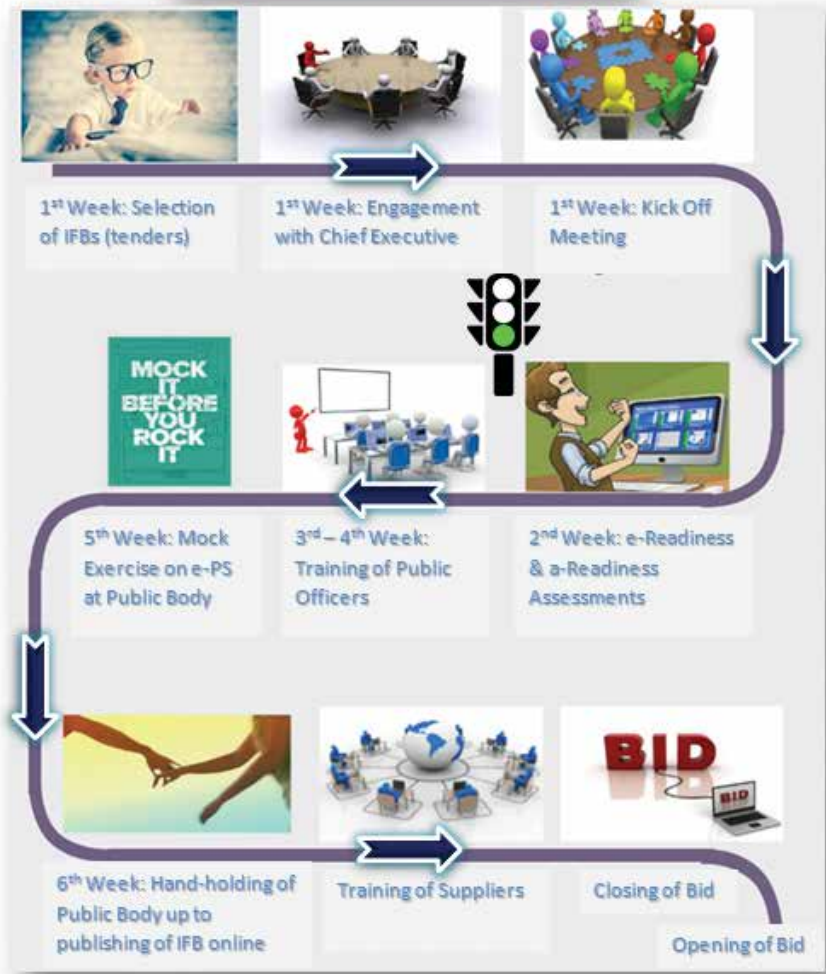
7.4 Taking into consideration People, Process and Outcome in public bodies for transformation to e-PS, a six weeks' long workflow for onboarding public bodies on the e-PS has been engineered. It ensures the administrative readiness in terms of top management commitment to own the process of change and dedicate people and ICT equipment for moving to electronic paperless procurement process in a sustainable manner. For any public body having boarded e-PS a first time, any subsequent issue of IFBs would be a repeat exercise for perfection. The more a public body issues IFBs on line, the quicker it reaps the benefits of e-PS.

7.5 Within this perspective, prior to boarding e-PS, PPO assists public bodies to carry out a mock to-be by mounting and publishing an IFB on line in the test instance for them to successfully rocket it out in the live on e-PS with the actual procurement taking place online.



**D6 - D9**

**Onboarding a Public Body on e-PS**  
[eproc.publicprocurement.govmu.org](http://eproc.publicprocurement.govmu.org)

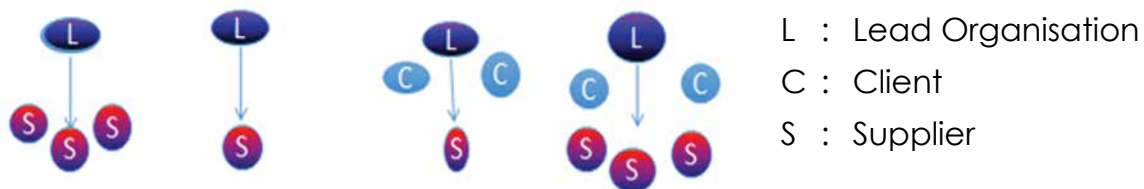


## 8.0 FRAMEWORK AGREEMENT

### *What is a Framework Agreement?*

8.1 The Public Procurement Act defines framework agreement as “an agreement between one or more public bodies or a lead organisation and one or more suppliers, which establishes the terms and conditions under which the supplier will enter into contract(s) with the public body. A Lead Organisation means a public body designated by the Policy Office to enter into and manage a framework agreement on its own behalf and that of other public bodies.

8.2 In simple terms, a Framework Agreement (FA) is an agreement between public bodies and shortlisted suppliers, which enables the public bodies to procure, as and when required under certain conditions, from these suppliers.



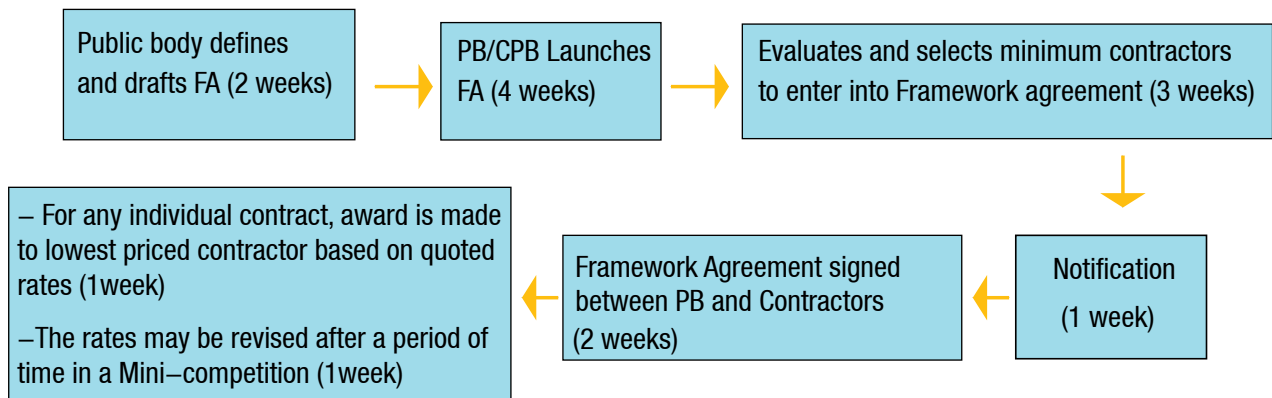
8.3 An FA is a procurement process which can be optimally used for acquiring goods, works, and services that are of a repetitive nature.

### How to carry out an FA Procurement ?

8.4 The process to carry out an FA is as follows:

- I. A public body deciding to implement an FA should first contact the PPO for guidance;
- II. PPO will assist them in terms of FA conceptualisation, preparation of FA bidding document and process to float the FA in the market (about 1 month);
- III. The public body is required in parallel to customize and finalise the bidding document internally (2 weeks);
- IV. CPB is required, where applicable i.e. where the estimated value of the aggregated procurement exceeds the public bodies procurement threshold value for it to seek CPB's approval (about 2 weeks);
- V. Launching and bid submission period (4 weeks);
- VI. Evaluation by CPB/PB (3 weeks);
- VII. Public body signs FA with suppliers following notification (3 weeks);
- VIII. Public body/Lead Organisation manages FA over the duration of the agreement; and
- IX. PPO may assist as and when required.

Figure 2: Steps to Formalise a Framework Agreement



### Successful Framework Agreements

- 8.5 Successful FAs being implemented since January 2015 to June 2016 are as follows:
- i. Construction of Drains for National Development Unit
  - ii. Maintenance of Government buildings for MPI
  - iii. House connections works for Wastewater Management Authority
  - iv. Selection of Consultants for minor projects for NDU
  - v. Minor roads works for Road Development Authority

## 9.0 BUILD OPERATE TRANSFER MODEL OF PROCUREMENT

9.1 Government plans to invest around Rs 153 billion in public sector projects over the next five years. Such level of investment cannot be made in the short term by the Government by using its limited resources. Government envisages to encourage the private sector to invest in public sector projects. The private sector can bring innovation and efficiency in managing risks and relieving Government mobilising upfront resources for project implementation.

9.2 In view of the above, the Build Operate Transfer (BOT) Act was passed in April 2016 providing a legal framework to both the public and private sector in terms of their respective obligations for implementing public projects under BOT arrangement.

9.3 The Act sets up the institutional framework as follows:

- a. The Contracting Authority - the public body responsible for the implementation of a BOT project;
- b. BOT Projects Unit - located in the PPO and responsible, amongst others, to register and assess BOT projects, formulate policy on BOT projects and conduct capacity building; and
- c. CPB – the institution responsible for the procurement process for BOT projects, including, examining and approving bidding documents, evaluation of bids and recommending awards.

9.4 A summary of the process for launching a BOT project is as follows:

- (1) Identification of the project and set up of a Project team by the contracting authority;
- (2) Registration of the project by the BOT Projects Unit;



- (3) Conducting feasibility report by the contracting authority and submission to the BOT Projects Unit for assessment;
- (4) Procurement process through the CPB;
- (5) Award by the contracting authority after informing Cabinet; and
- (6) Table the BOT Agreement in National Assembly.

9.5 The Act does not apply for a BOT project under taken through Government to Government agreement which is required to follow the due diligence process as defined in section 3 of the Public Procurement Act.

9.6 The BOT Projects Unit set up at the PPO worked out an implementation plan which included issuing of a BOT Guidance Manual, conducting capacity building and identification of BOT Projects.

# PART D

# INTERACTION

*"Knowledge only has true value when it's shared."*

Tony Geoghan



- Interaction with stakeholders
- Project Management Initiative
- Knowledge sharing
- Compliance Monitoring

## 10.0 INTERACTION WITH STAKEHOLDERS

10.1 As per section 7(db) of the Public Procurement Act, the PPO is responsible to “attend to complaints from bidders or suppliers and advise the [Central Procurement] Board or public bodies on the appropriate course of action”.

### *Advice to Stakeholders*

10.2 The PPO provides advice to stakeholders through various communication means including by phone, e-mail, letters or through meetings. According to PPO's records, 314 written advices were provided to Ministries/Departments and Parastatal bodies during the reported period. The top management (Director and two members) of the PPO had 909 meetings with public procurement stakeholders, sharing an estimated time of 1652 hours with them.

### *Complaints from bidders/ suppliers*

10.3 During the reported period, 135 letters of complaints were received from bidders or suppliers against 33 public bodies, for which the PPO initiated appropriate actions and took remedial measures where required.

### *Complaints from Public Bodies*

10.4 Following complaints from public bodies, and as per Public Procurement (Suspension and Debarment) Regulations and Public Procurement (Disqualification) Regulations, five suppliers were disqualified by the Procurement Policy Office during the reported period. Two suppliers were disqualified for a period of one year and the remaining three suppliers were disqualified for six months. Five cases were under investigation.

## 11.0 PROJECT MANAGEMENT INITIATIVE

11.1 The Director of Audit has year in and year out commented on poor contract management, which has been a subject of predilection by the Public Accounts Committee to which the PPO has not remained insensible. It is a Government priority to reform the way government projects and contracts should be managed to deliver the predefined outcomes. With a view to implementing measures to address this weakness, the PPO recruited a Consultant, Mr. Rodney Petersen, from Realyst Contract Risk Management (Pty) Ltd (South Africa) in December 2015.



11.2 At inception, PPO assisted the consultant to carry out surveys and interviews with sampled public bodies. Towards this end, the consultant also reviewed areas which had been subject to unfavorable opinion in the Director of Audit Reports. Following this primary exercise, the consultant delivered the following:

- (i) a Report reviewing the project management process in the public sector;
- (ii) a Draft Project Management Guidelines; and
- (iii) A Way Forward Report.

11.3 Subsequently PPO organised a workshop from 19 to 21 January 2016 at Business Parks of Mauritius Ltd (BPML), Ebene with the consultant as resource person to disseminate and validate the contents of the Project Management Guidelines.



11.4 The PPO would follow up with the outcomes of the consultancy exercise and the workshop to implement specific measures to improve project management in public sector.

## 12.0 COMPLIANCE MONITORING

12.1 In line with section 7(d) of the Public Procurement Act, PPO is responsible, amongst others, for monitoring the compliance of public bodies with provisions of the Act.

12.2 During the reported period compliance monitoring was carried through the analysis of the following:

- (i) The decisions of the Independent Review Panel (IRP);
- (ii) Suppliers' or bidders' complaints;
- (iii) Information obtained from the reports of the Director of Audit;
- (iv) Findings from the Internal Control Unit (ICU);
- (v) Feedback from the Independent Commission Against Corruption (ICAC); and
- (vi) Reports from public bodies against defaulting bidders/suppliers/contractors.



**12.3 Compliance monitoring was also carried out by examining the records at the level of the following four (4) public bodies**

SN	Name of Public Body	Monitoring Period
1	Irrigation Authority	July-August 2015
2	Prisons Department	August 2015
3	Police Department	February 2016
4	Rodrigues Regional Assembly	June 2016

## 13.0 KNOWLEDGE SHARING WITH NEIGHBOURING COUNTRIES

13.1 During the reported time, delegations from Malawi, Botswana and Zambia visited PPO to learn from our experience.

### *Visit of Delegation from Malawi*

13.2 A delegation from Malawi was on a study tour at the PPO on 2 February 2015 to learn about the Public Procurement System of Mauritius. The principal objective of the study tour was to understand our operations with particular focus on compliance monitoring and information management systems.

13.3 The delegation was composed of the following officers from the Office of Director of Public Procurement (ODPP):

- (i) Mr. Arnold Chirwa
- (ii) Mr. Jonathan Kantayen
- (iii) Ms. Gloria Thupi
- (iv) Mr. Leonard Kumwenda
- (v) Mr. Enock Mangame



## Visit of Delegation from Botswana

13.4 A delegation from the Botswana Public Procurement and Asset Disposal Board (PPADB) was on a benchmarking visit to the PPO from 29th February – 2nd March 2016. The delegation was composed of:

- (i) Mrs. Bridget P. John (Executive Chairperson of PPADB)
- (ii) Mr. Elijah T. Motshedi (Executive Director Works)
- (iii) Mr. Kgakgamalo K. Ketshajwang (Executive Director Supplies)
- (iv) Mr. Gerald N. Thipe (Non-Executive Director Services)
- (v) Mr. Taolo Sebonego (Non-Executive Director Supplies)
- (vi) Mr. Tshepo Sayed (Strategy Manager)
- (vii) Mrs Neo P. Mogwai (ICT Coordinator)



13.5 The PPADB was enacted by an Act of Parliament in 2001. PPADB is a parastatal organisation, operating under the Ministry of Finance and Development Planning (MFD). The primary mandate of PPADB is to adjudicate and award tenders for Central Government and any other institutions specified under the Act for the delivery of works, services and supplies related services. This is coupled with the registration and grading of contractors who wished to do business with government. This is to ensure that projects are prudentially managed to ensure value for money in the procurement and disposal of assets.

13.6 It is to be noted that PPADB also has an electronic Procurement system called Integrated Procurement Management System (IPMS). This system helps PPADB to improve service delivery to PPADB stakeholders by automating current public procurement and asset disposal processes. The Delegation visited the Procurement Policy Office, the Central Procurement Board and Municipal Council of Beau-Bassin/ Rose-Hill, witnessing the latter on boarding its first Invitation for Bid on line on 2 March 2016.

### Visit of Delegation from Zambia

13.7 A delegation of three officials from Zambia Public Procurement Authority (ZPPA) visited Mauritius for collaboration and benchmarking with the PPO from 25th to 28th April 2016 to learn from the public procurement practices in Mauritius and our e-Procurement system.

13.8 The delegation was composed of:

- (i) Mrs. Vida Mbewe Kamanya (Manager – Contracts and Procurement Audits)
- (ii) Mr. Terry Kazungu Gunduza (Principal Officer – Capacity Building)
- (iii) Mr. Justin Matimuna (Manager – Capacity Building)

13.9 The ZPPA is a statutory body established by an Act of Parliament; the Public Procurement Act No. 12 of 2008. The Authority is responsible for policy, regulation, standard setting, compliance and performance monitoring, professional development and information management and dissemination in the field of public procurement.

13.10 It is to be noted that Zambia also has an electronic Procurement system called Electronic – Government Procurement System (E-GP).

13.11 The Delegation visited the Procurement Policy Office and the Central Procurement Board.

13.12 All the three delegations have expressed their satisfaction in meeting the objective of their benchmarking visits and looked forward towards enhanced collaboration with the Procurement Policy Office



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