



MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT
Procurement Policy Office
Level 8, Emmanuel Anquetil Building,
Port Louis, Mauritius

Ref : F/PPO/4/1/Vol 13

Circular No 1 of 2020

From: Director, Procurement Policy Office

To : Heads of Public Bodies

Contract Price Adjustment following Proclamation of the Workers' Rights Act 2019

Following the proclamation of the Workers' Rights Act 2019, which has become fully effective as from 1 January 2020, a number of public bodies have sought advice on suppliers' requests for contract price adjustment.

2. In accordance with Directive 37, suppliers shall comply with the legal provisions regarding remuneration and other conditions of work for their employees. However, it has been found that in some contracts there is no provision for price adjustment to offset, where warranted, increases in wages resulting from change in legislation.

3. In view of the above, public bodies are advised to proceed as follows:

- I Apply the specific conditions of the contract where provision for price adjustment exists to compute the additional amount payable under the contract.
- II Consider applications for price adjustment where no such provision exists in the contract, provided that they are justified and supported by detailed documentation. In such cases, the additional amount to be paid should not be in terms of percentage, but the difference in cost of wages of the workers employed to perform the contract.

4. Henceforth, public bodies must ensure that all labour intensive contracts with a duration of 12 months and above contain a price adjustment formula as specified in the Standard Bidding Documents.

Procurement Policy Office
28 January 2020

***Note:** When undertaking a procurement exercise, please make sure you are using the latest version of the appropriate Standard Bidding Document available on the website of the Procurement Policy Office (<http://ppo.govmu.org>). You may also consult on the site the updated version of the Public Procurement Act and the Regulations made thereunder, as well as circulars issued by the Office.*