



MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT
Procurement Policy Office

In reply please quote: F/PP0/4/1/N13

Circular No. 3 of 2021

From : Director, Procurement Policy Office

To : Heads of Public Bodies

**Determination of first ranked bid when applying Margins of Preference for
procurement of Goods**

The purpose of this Circular is to guide public bodies on the methodology to be adopted to determine the first ranked bid when applying the margins of preference (MOP) set out in Directive 49 after assessing the substantial responsiveness of the bids received.

2. The methodology to be used when different bidders are eligible for different rates of MOP is given below. The same methodology applies when there is a single rate of MOP.

Step 1

For evaluation purposes only, discount each bidder's price by their respective applicable rate of MOP.

Step 2

Rank the bids by starting from the lowest.

Step 3

Select the first ranked bidder for award at the price **quoted**.

3. Below is an example where the scenario is as follows:

- Bidders D, E and F are not eligible to any MOP
- Bidder A is eligible for an MOP of 40%
- Bidder B is eligible for an MOP of 30%
- Bidder C is eligible for an MOP of 20%



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Bidders	A SME Made in Moris	B SME Locally manufactured goods not holding Made in Moris	C Non-SME locally manufactured goods Made in Moris	D Not entitled	E Not entitled	F Not entitled
Evaluated price after correction of arithmetical errors and other adjustments.	1600	1500	1400	1300	1000	1200
Applicable preference	40%	30%	20%	0%	0%	0%
MOP Rate to adjust price downward for comparison	40%	30%	20%	0%	0%	0%
MOP Amount	- 640	- 450	- 280	0	0	0
Discounted Price for comparison after applying MOP amount manually	960	1050	1120	1300	1000	1200
Rank	1	3	4	6	2	5

4. Therefore after application of margin of preference, Bidder A is the first ranked bidder and should be considered for selection of award of contract at the bid price of Rs 1600.

5. The applicable amount of MOP during evaluation through the e-procurement system (e-PS) must be entered manually with the negative sign as shown in the Table above in order to obtain the discounted price for ranking and comparison.

**Procurement Policy Office
1 April 2021**



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