



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

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

Circular No. 2 of 2023

From: Procurement Policy Office

To : Heads of Public Bodies

Measures to mitigate risks of delays in Project Procurement

1. It has been brought to the attention of this Office that the implementation of certain projects is delayed because of failure in awarding the contract due to prices quoted by bidders being substantially higher than the estimated cost. In some cases, even the re-bid exercise fails.
2. The main reason attributed by those who have the responsibility for the preparation of the cost estimates is the unstable condition of the market with frequent increases in prices.
3. Another problem reported is about delays in the performance of contractors. In one case, which was investigated by this Office, it was found that a bidder was awarded two contracts on the same day by the same public body, although it did not have the technical and financial capacity to perform that value of contract. It was further found that the bidding document was a customized copy of another project and the criteria to assess the bidder's financial capacity were not inserted therein. This indicates that the bidding documents were not properly checked, and the members of the bid evaluation committee submitted the recommendations by ignoring the importance of assessing the financial capacity of bidders.
4. With a view to mitigate the above risks, Accounting Officers are requested to establish the proper structures to:
 - (i) Assign the preparation of bidding documents and their vetting, and the evaluation of bids, to persons having the required level of skills and competence;
 - (ii) Identify components which are prone to price fluctuations and provide their coefficients in the price adjustment formula in the bidding documents;

- (iii) Use the Competitive Negotiations method following cancellation of a bidding exercise on ground that the bids received were either “irregular” or “unacceptable” within their meaning as per section 25B of the Public Procurement Act 2006; and
- (iv) Make use of competitive negotiations as a complementary procedure where the lowest evaluated bid exceeds the estimated cost by not more than 25%.

5. When resorting to the Competitive Negotiations method as mentioned at paragraph 4(iii) above, the procedures outlined in Regulation 5B of the Public Procurement Regulations 2008 and Annex A of Directive No. 61 must be followed, whereas when using it as a complementary procedure, Annex B of Directive No. 61 is applicable.

It is also useful to indicate in the bidding documents when it may be used as a complementary procedure so that bidders are aware.

Procurement Policy Office
31 March 2023



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.