



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Procurement Policy Office
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From: Director, Procurement Policy Office

To : Heads of Public Bodies

Guidelines on Procurement of Vessels

The annex Guidelines on Procurement of Vessels sets procedures for this particular type of procurement.

2. Guideline is also posted on the website of Procurement Policy Office (ppo.govmu.org) under the headline "Procurement Guidelines".

3. You are kindly requested to disseminate the contents of this Circular to all those concerned within your organization.

**Procurement Policy Office
28 November 2017**

Procurement Policy Office
Guidelines on Procurement of Vessels

1. Interpretation

In these Guidelines –

“Act” means the Public Procurement Act;

“classification society” means a member of the International Association of Classification Societies, recognised by the Government of Mauritius;

“extreme emergency” means the extreme emergency referred to in section 21(3) of the Act;

“vessel” includes any description of water craft used or capable of being used as a means of transportation on water.

2. Application of the Guidelines

These Guidelines shall apply to procurement in respect of the construction, purchase, chartering, servicing and maintenance of vessels.

3. Principles and objectives of procurement

Every public body shall, having regard to principles of transparency, non-discrimination and competition, aim at achieving value for money, efficiency, integrity and accountability in respect of any procurement under these Guidelines.

4. Procurement procedures for the procurement of new and second hand vessels

(1) After negotiation with several known shipbrokers, a public body may appoint a shipbroker, who shall –

- (a) provide the public body with a list of available vessels for purchase with respective purchase prices;
- (b) assist the public body during negotiations with ship owners.

(2) The public body shall, after shortlisting the available vessels referred to in paragraph (1)(a), carry out, with the assistance of a classification society, a physical inspection of the shortlisted vessels.

(3) The public body shall –

- (a) appoint a bid evaluation committee to identify the most economically advantageous proposal, based on the physical inspections of the vessels and the purchase prices;
- (b) appoint a Negotiation Panel comprising of at least 3 persons to negotiate, with the support of the shipbroker, the price and non- price factors with the selected ship owner.

(4) Where the negotiation with the selected ship owner is not conclusive, the public body may negotiate with the second ranked bidder and the process shall continue until an agreement is reached between the public body and the bidder.

(5) The public body shall, after ensuring that value for money is achieved, award the contract to the most advantageous bidder who meets the requirements of the public body.

(6) After award of contract, the public body shall publish on its website a brief report of the procurement proceedings.

5. Procurement procedures for the construction of vessels

(1) A public body may appoint a Consultant who shall, inter-alia –

- (a) provide the technical evaluation criteria for the selection of the shipbuilding company and prepare all bidding and other documents relevant thereto;
- (b) assist the bid evaluation committee in the evaluation of bids submitted by bidders;
- (c) prepare a makers' list and outline technical specifications;
- (d) verify the construction on site so as to ensure compliance with specifications, approved plans, drawings and other documents submitted to the shipbuilding companies or suppliers;
- (e) preserve the interests of the public body during testing of ship's equipment at supplier's or shipbuilding company's premises, in port or at sea, as applicable and recording, analysing, evaluating and reporting of test data of such equipment.

(2) Where proposals have been received pursuant to paragraph (1), the public body shall –

- (a) appoint a bid evaluation committee comprising of a Chairperson, a Secretary and at least 3 Members knowledgeable in the subject matter, which shall prepare a bid evaluation report detailing the rank of the bidders,

- (b) appoint a Negotiation Panel comprising of at least 3 persons to negotiate on price and non-price factors with the bidders in order of their ranking.
- (3)
 - (a) The negotiation referred to in paragraph (2)(b) shall be carried out in a transparent manner with pre-determined areas for discussions and the agreed exit point.
 - (b) Where the negotiation is not conclusive, the public body may negotiate with the second ranked bidder and the process shall continue until an agreement is reached between the public body and the bidder.
- (4) In respect of the construction of vessels, a public body may –
 - (a) invite expressions of interest from shipbuilding companies through an open international bidding and thereafter draws up a shortlist including at least 3 shipbuilding companies; and
 - (b) request the shortlisted shipbuilding companies referred to in paragraph (a) to submit their proposals.
- (5) The public body shall follow the evaluation process referred to in paragraphs (2) and (3).
- (6) The public body shall, after ensuring that value for money is achieved, award the contract to the most advantageous bidder who meets the requirements of the bidding document.
- (7) The public body shall notify the unsuccessful bidders of the outcome of the award within 30 days from the date the contract agreement is signed.
- (8) The public body shall select a classification society which shall supervise the construction of the new vessel to ensure compliance with the approved vessel designs and international regulations in force until completion of the vessel.

6. Procurement procedures for the chartering of vessels

- (1) After negotiation with several known shipbrokers, a public body may appoint a shipbroker who shall –
 - (a) provide the public body with a list of available vessels chartering with respective chartering fees;
 - (b) assist the public body during negotiations with the ship owners.
- (2) The public body shall, after short listing the available vessels referred to in paragraph (1)(a), carry out a physical inspection of the shortlisted vessels with the assistance of a classification society.

(3) The public body shall –

- (a) appoint a bid evaluation committee to identify the most economically advantageous proposal, based on the physical inspections of the vessels and the proposed fees;
- (b) appoint a Negotiation Panel comprising of at least 3 persons to negotiate the price and non-price factors with the selected ship owner;
- (c) where the negotiation with the selected ship owner is not conclusive, the public body, assisted by the shipbroker, may negotiate with the second ranked bidder and the process shall continue until an agreement is reached between the public body and the bidder.

(4) The public body shall, after ensuring that value for money is achieved, award the contract to the most advantageous bidder who meets the requirements of the bidding document.

(5) After award of the contract, the public body shall post on its website a brief report of the procurement proceedings.

7. Procurement procedures for the dry docking of vessels

- (1) (a) In respect of the dry docking of vessels, a public body shall invite expressions of interest from a list of at least 6 renowned shipbuilding or ship repair firms operating in the region.
- (b) The interested firms shall submit their expressions of interest not later than 14 days from the date of the invitation.
- (2) (a) The public body shall set up a departmental bid committee which shall examine the expressions of interest, based on the criteria defined in the relevant document and recommend a shortlist of shipbuilding or ship repair firms for approval by the Chief Executive.
- (b) The shortlisted shipbuilding or ship repair firms shall, upon request of the public body, submit their proposals not later than 30 days from the date of the request.
- (c) Upon receipt of the proposals under subparagraph (b), the public body shall appoint a bid evaluation committee comprising of a Secretary and at least 3 members knowledgeable in the subject matter.
- (d) The bid evaluation committee shall examine and evaluate the bids and prepare a bid evaluation report with recommendation of the successful bidder.

- (e) The bid evaluation report shall be forwarded to a departmental bid committee or any other relevant committee for consideration.
 - (f) The committee referred to in subparagraph (e) shall submit its recommendation to the Chief Executive or Board of the public body, as the case maybe, for approval.
- (3)
- (a) On receipt of the recommendation under paragraph (2)(f), the Chief Executive or the Board, as the case may be, shall approve the most economic advantageous bid and issue a letter of acceptance to the selected bidder.
 - (b) The public body shall inform the unsuccessful bidders of the outcome of the award within 15 days from the date the contract agreement is signed.

8. Procedures for procurement of containers

- (1)
 - (a) In respect of the procurement of containers, a public body shall invite expressions of interest from a reasonable number of container trading firms operating in the region.
 - (b) The interested firms shall submit their expressions of interest not later than 14 days from the date of the invitation.
- (2)
 - (a) The public body shall set up a departmental bid committee which shall examine the expressions of interest. Based on the criteria defined in the relevant document the committee recommends a shortlist of 3 container trading firms, as far as reasonably possible.
 - (b) The shortlisted container trading firms shall, upon request of the public body, submit their proposals by fax, email or courier following the Instructions to Bidders.
 - (c) Upon receipt of the proposals under subparagraph (b), the public body shall appoint a bid evaluation committee comprising of a Secretary and at least 3 members knowledgeable in the subject matter.
 - (d) The bid evaluation committee shall examine and evaluate the bids and prepare a bid evaluation report with recommendation of the successful bidder.
 - (e) The bid evaluation report shall be forwarded to a departmental bid committee or any other relevant committee for consideration.
 - (g) The committee referred to in subparagraph (e) shall submit its recommendation to the Chief Executive or Board of the public body, as the case may be, for approval.

- (3) (a) On receipt of the recommendation under paragraph (2)(f), the Chief Executive or the Board, as the case may be, shall approve the most economic advantageous bid. A letter of acceptance is issued to the selected bidder.
- (b) The public body shall inform the unsuccessful bidders of the outcome of the award within 15 days from the date the contract agreement is signed.

9. Procurement procedures for Procurement of Bunker

- (1) The public body shall invite bids for procurement of bunker for its vessels for a specific period to be determined by the public body from at least 3 bunker suppliers.
- (2) The bunker suppliers shall submit their bid within the submission period.
- (3) The public body shall –
 - (a) appoint a bid evaluation committee to identify the first ranked bidder;
 - (b) appoint a Negotiation Panel to negotiate on price and non-price factors with the selected bunker supplier;
- (4) Where the negotiation with the selected bunker supplier is not conclusive, the public body, may negotiate with the second ranked bidder and the process shall continue until an agreement is reached between the public body and the bidder.
- (5) The public body shall, after ensuring that value for money is achieved, award the contract to the most advantageous bidder.

10. Selection of Consultants

- (1) (a) In respect of consultancy services relating to vessels, a public body shall invite expressions of interest from a list of a reasonable number of consultancy firms having experience in that particular field.
- (b) The interested firms shall submit their expressions of interest not later than 14 days from the date of the invitation.
- (2) (a) The public body shall set up a departmental bid committee which shall examine the expressions of interest, based on the criteria defined in the relevant document and recommend a shortlist of consultancy firms by the Chief Executive or Committee relating to procurement of the public body, as the case may be, for approval .

- (b) The shortlisted consultancy firms shall, upon request of the public body, submit their proposals not later than 30 days from the date of the request.
 - (c) Upon receipt of the proposals under subparagraph (b), the public body shall appoint a bid evaluation committee comprising of a Secretary and at least 3 members knowledgeable in the subject matter.
 - (d) The bid evaluation committee shall examine and evaluate the bids and prepare a bid evaluation report with recommendation of the successful bidder.
 - (e) The bid evaluation report shall be forwarded to a departmental bid committee or any other relevant committee for consideration.
 - (f) The committee referred to in subparagraph (e) shall submit its recommendation to the Chief Executive or Board of the public body, as the case may be, for approval.
- (3) (a) On receipt of the recommendation under paragraph (2)(f), the Chief Executive or the Board, as the case may be, shall approve the most economic advantageous bid and issue a letter of acceptance to the selected bidder.
- (b) The public body shall inform the unsuccessful bidders of the outcome of the award within 15 days from the date the contract agreement is signed.

11. Low Value Procurement

(1) Where the estimated contract value is 500,000 rupees or less in respect of procurement under these Guidelines, a public body may –

- (a) seek quotations from at least 3 suppliers where available and the Chief Executive of the public body shall approve the award of the contract to the most economically advantageous bidder; or
- (b) solicit an offer from a single supplier.

(2) Where a single supplier is solicited under paragraph (1)(b), the Chief Executive of the public body shall approve the award of contract, provided that –

- (a) the offer is fair and reasonable; and
- (b) there is only one known supplier.

12. Extreme emergency situation

- (1) The public body shall –

- (a) in extreme emergency, use the most competitive method of procurement available in the circumstances; or
- (b) where competition is not possible, resort to the direct procurement method through negotiation to ensure value for money.

(2) The Chief Executive of the public body shall declare an extreme urgency and shall record its justifications.

13. Debriefing of unsuccessful bidders

A public body shall promptly, on request of an unsuccessful bidder, inform that bidder of the reasons for which its bid, or its application for expression of interest, was unsuccessful where the request for such debriefing was submitted within 30 days of the notification of the award.

14. Reporting and record keeping

A public body shall keep proper record of all procurement activities under these Guidelines and make them available to the relevant authorities as and when required.

15. Code of Conduct for Procurement Officials

The Code of Conduct for Procurement Officials, issued jointly by the Independent Commission Against Corruption and the Policy Office shall apply to every procurement under these Guidelines.

**Procurement Policy Office
28 November 2017**