

**MINISTRY OF FINANCE & ECONOMIC EMPOWERMENT**  
**PROCUREMENT POLICY OFFICE**

**Circular No. 14 of 2009**

**Ref : F/PPO/4/1 Vol 2**

**From: Director, Procurement Policy Office**

**To : Heads of Public Bodies**

**Margins of Preference**

As you are aware the Public Procurement Act has been amended by the Additional Stimulus Package (Miscellaneous Provisions) Act 2009 with a view to enabling the application of a margin of preference to domestic and foreign contractors as an incentive to employ local labour in the execution of projects in the public sector. This margin of preference is over and above the present domestic preference referred to in Circular No. 19 of 2008.

2. Details of this measure are given hereunder:

- (a) for international bidding: a margin of preference of 5 % to domestic contractors employing at least 85% local labour and to foreign contractors employing 15% or more local labour on a project; and
- (b) for national bidding: a margin of 10 % to contractors (irrespective whether domestic or foreign) employing 85 % or more local labour on a project.

**Note:** (1) The requirement regarding the percentage of local labour to be employed by the domestic or foreign contractor should be observed in case of a joint venture or subcontracting.

- (2) For the purpose of the application of the margin of preference in the context of international bidding, a 'foreign contractor' shall have the same meaning as under the Construction Industry Development Board Act 2008.

3. Appropriate amendments have accordingly been brought to the Public Procurement Regulations and in the relevant Standard Bidding Documents (SBDs). The updated version of the SBDs may be downloaded from the web site of the Procurement Policy Office <http://ppo.gov.mu>.

4. Mr. P. Goburdhun, Technical Adviser at this Office, may be contacted (tel. no. 201-3760 or email: [mof-pposecretariat@mail.gov.mu](mailto:mof-pposecretariat@mail.gov.mu)) for any clarification or guidance in this connection.

**Procurement Policy Office**  
**15 September 2009**