

## INDEPENDENT REVIEW PANEL

In the matter of:

**Securiclean (Mtius) Ltd**

**(Applicant)**

**v/s**

**Ministry of Local Government & Outer Islands**

**(Respondent)**

**(Cause No. 21/11/IRP)**

### **Decision**

#### **A. Background**

1. The Ministry of Local Government & Outer Islands using the open advertised bidding process invited bids on 05 April 2012 for Beach Cleaning, Refuse Collection and Maintenance of Toilets Block and Provisions of Security Services on Main Public Beach. The project was divided into four lots. The deadline for the submission of bids was 12 May 2011 at 13.30 hrs and the public opening of bids was scheduled for the same day at 14.00 hrs.

Four addenda were issued by the Public Body during the bidding period.

2. Seven bids were received by the deadline for the submission of bids, and were opened in public and the bid prices on a lot wise basis were read out. The Central Procurement Board then appointed a four-member Bid Evaluation Committee to evaluate the bids received. The Committee met twenty four times and submitted its evaluation report on 05 July 2011. The Central Procurement Board submitted its recommendation to the Public Body on 02 August 2011.

3. Bidder Securiclean (Mtius) Ltd was recommended for an award for three of the four lots and the fourth lot was awarded to Atics Ltd. The Public Body notified all bidders of the outcome of the bidding exercise on 04 August 2011.
4. Securiclean (Mtius) Ltd as an aggrieved bidder challenged the decision of the Public Body with respect to the award of lot no. 2 – Belle Mare and Palmar Main Beaches on 09 August 2011. The Public Body obtained material for reply to the challenge from the Central Procurement Board and informed the aggrieved bidder accordingly on 23 August 2011. However, Securiclean (Mtius) Ltd still dissatisfied with the decision of the Public Body made an application for review to the Panel on 29 August 2011.

The procurement proceedings were suspended pursuant to Section 45(4) of the Public Procurement Act until the appeal is heard and determined. A hearing was held in the presence of the selected bidder on 27 March 2012.

## **B. Grounds for Review**

The Grounds for Review are as follows:

- a. With regards to lot No. 2 – Belle Mare & Palmar Main Beaches, the Public Body has failed to consider item (d) of the Bid Submission form.*
- b. Failing to consider the discount and methodology proposed by the Bidder as per the item(d) of the Bid Submission Form laid down by the Public Body itself.*
- c. Wrongful and erroneous application of criterion at Item (d) of the Bid Submission Form by the Public Body.*
- d. Failing to properly assess at all the Bid of Securiclean with respect to Lot No. 2 in the light of Item (d) of the Bid Submission Form.*
- e. The fact that the Public Body has already informed the Bidder that Lots Nos 1, 3 & 4 would be allocated to it, it was incumbent upon the Public Body to consider Item (d) of the Bid Submission Form and retain the Bid of Securiclean for Lot No. 2.*
- f. Had the proper assessment been carried out by the Public Body, the latter would have saved money by allocating all Lots to Securiclean based upon the discount and methodology proposed by the latter in accordance with the Bid Submission Form.*
- g. The Public Body has erroneously concluded that the Discount proposed by Securiclean was a conditional discount when this very discount and methodology were provided as an Item in the Bid Submission Form of the Public Body itself.*

- h. Had the “methodology and discount” Clause been given its true interpretation, the Public Body would have saved Rs3,439,008 if all 4 lots were to be allocated to Securiclean.”*

### C. The Evaluation Process

1. The Bid Evaluation Committee first carried out a preliminary of all the bids received to check compliance with the mandatory requirements. The Committee found that only four out of the seven bidders satisfied the mandatory requirements and were eligible for the detailed technical evaluation.
2. The four bidders were considered to be technically responsive and the Bid Evaluation Committee then proceeded with their financial appraisal. The ranking of the bidders in terms of the prices quoted are indicated at pg 20, Table 5 of the evaluation report.

Rank	Bidder	Lot No. 1		Lot No. 2		Lot No. 3		Lot No. 4	
		Bid Amount (Rs) for option excluding Trou aux Biches	Bid Amount (Rs) for option including Trou aux Biches	Bidder	Bid Amount (Rs)	Bidder	Bid Amount (Rs)	Bidder	Bid Amount (Rs)
1 <sup>st</sup>	Securiclean (Mtius) Ltd	-	25,990,000	ATICS LTD	24,748,000	Securiclean (Mtius) Ltd	15,615,160	Securiclean (Mtius) Ltd	25,990,000
2 <sup>nd</sup>	Maxiclean Co. Ltd	34,559,800	38,161,600	Securiclean (Mtius) Ltd	25,990,000	CRSE Ltee	23,071,794.50	ATICS LTD	31,496,200
3 <sup>rd</sup>	ATICS LTD	35,263,600	39,403,600	Maxiclean Co. Ltd	26,486,800	ATICS LTD	24,748,000	Maxiclean Co. Ltd	33,690,400
4 <sup>th</sup>	CRSE Ltee	45,335,587.50	49,467,710	CRSE Ltee	30,910,775.25	Maxiclean Co. Ltd	26,486,000	CRSE Ltee	46,457,539

3. The Bid Evaluation Committee concluded that the best bid amounts were lower than the cost estimates and recommended that the contract be awarded as follows:

Lot No.	Lowest Evaluated and Complying Bidder	Bid Amount (Rs)
1 – including Trou aux Biches	Securiclean (Mtius) Ltd	25,990,000
2	ATICS LTD	24,748,000
3	Securiclean (Mtius) Ltd	15,615,160
4	Securiclean (Mtius) Ltd	25,990,000
<b>TOTAL</b>		<b>92,343,160</b>

The Central Procurement Board on 27 July 2011 approved the recommendation of the Evaluation Committee for option 1 for a total project amount of Rs92,343,160 inclusive of VAT and contingencies.

Following an application for review by Securiclean (Mtius) Ltd as an aggrieved bidder on 29 August 2011, the Panel suspended the procurement proceedings and held a hearing in the presence of the selected bidder on 27 March 2012.

#### **D. Submissions and Findings**

1. BDS ITB 5.5(e) indicates clearly that bidders are allowed to bid for one or more lots depending on their financial capacity as per their annual turnover, vehicles and equipment, personnel, labour force and the availability of their liquid assets/credit facilities.

Furthermore, to qualify for award of contract in respect of any of the lots a bidder had to submit evidence of having financial resources as follows:

Eligible for award of:	Amount of liquid asset and/or credit facilities required
Any 1 lot	Rs 3 M
Any 2 lots	Rs 6 M
Any 3 lots	Rs 9 M
4 lots	Rs 12 M

All the above clearly indicates that award was to be made on a lot wise basis.

2. The bidder, Securiclean (Mtius) Ltd, at paragraph (d) of its bid submission indicated that it will offer a 5% discount if it were awarded all the four lots. This is a conditional discount and will become effective if and only if the four lots were awarded to the bidder.

As Securiclean (Mtius) Ltd was not the lowest bidder for lot no. 2 the Bid Evaluation Committee did not consider the proposed conditional discount. The award made to Securiclean (Mtius) Ltd for lots no. 1, 3 and 4 were exclusive of the 5% discount.

The Panel concurs with the interpretation given by the Bid Evaluation Committee to the conditional discount and to its recommendations for the award of the contract on a lot wise basis.

Based on all the above, the Panel finds no merit in the present application which is accordingly set aside.

**(Dr. M. Allybokus)**  
***Chairperson***

**(H. D. Vellien)**  
***Member***

**(Mrs. E. Hanoomanjee)**  
***Member***

**Dated 01 June 2012**