

# PROCUREMENT POLICY OFFICE

## Directive No 12 (issued pursuant to section 7 of the Public Procurement Act)

### Margin of Preference for Procurement of Works (as amended)

The present scheme of Margin of Preference for procurement of Works has been revised to promote further the employment of local manpower in Works contracts.

1. A Margin of Preference for employment of local manpower shall be applicable as follows:

(a) For International Bidding

A bidder, incorporated in the Republic of Mauritius and employing local manpower for 80 % or more of the total man-days deployed for the execution of a Works contract, shall be eligible for a preference of 15 %.

(b) For National Bidding

(i) A local Small and Medium Enterprise, having an annual turnover not exceeding Rs 50M or a joint venture consisting of local Small and Medium Enterprises having an aggregate annual turnover not exceeding Rs 50M and employing local manpower for 80 % or more of the total man-days deployed for the execution of a Works contract, shall be eligible for a Margin of Preference of 20 %.

(ii) Any bidder incorporated in the Republic of Mauritius not satisfying the conditions mentioned in (i) above but employing local manpower for 80 % or more of the total man-days deployed for the execution of a Works contract, shall be eligible for a Margin of Preference of 10 %.

Note: Local manpower shall mean employees on the payroll of the contractor as well as those for subcontractors executing works on the site.

2. Preference Security

(a) For contracts above Rs 100M, the selected bidder having benefitted from the application of the Margin of Preference for employment of local manpower shall submit a preference security in the form of a bank guarantee from a local bank.

(b) For contracts up to Rs 100M, the public body shall retain money from progressive payments to constitute the preference security or request a security in the form of a bank guarantee at the selected bidder's option. **(amended as per Directive 16 of 24 April 2014)**

(c) The preference security shall serve as a guarantee for the contractor to fulfill its obligation to employ local manpower for 80 % or more of the total man-days deployed for the execution of the works.

(d) The amount for the preference security shall be the difference between the price quoted by the selected bidder and that of the lowest evaluated bid which would have been selected for award of contract if the said Margin of Preference was not applicable.

(e) The preference security shall be forfeited by the public body in case of failure on the part of the Contractor to employ at least 80 % of the local manpower in the execution of the works.

3. Contractor's monitoring for employment of local manpower

The contractor, having benefitted from the Margin of Preference, shall from time to time, as may reasonably be requested by the public body, submit reports on the status of employment of local manpower.

At the time of works completion, as defined in the bidding document, the contractor shall submit a certified audit report to the public body to substantiate the actual percentage of local manpower employed throughout the execution of the works.

4. This Directive takes effect as from 1<sup>st</sup> January 2013.

**Procurement Policy Office  
26 December 2012**