



CENTRAL PROCUREMENT BOARD



ANNUAL
REPORT
2014

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CHAIRMAN'S STATEMENT



It is incumbent upon me as the new Chairperson of the Central Procurement Board (CPB) to present the Annual Report of the CPB for the year ending 31 December 2014, in line with the requirements of Section 8A of the Public Procurement Act 2006 (the Act). My predecessor, Mr. Premcoomar Beeharry was the Chairman of the CPB from 05th November 2011 to 23rd January 2015.

The CPB consists of a Chairperson, 2 Vice Chairpersons and 3 other persons having wide experience in legal, administrative, economic, financial, engineering, scientific or technical matters, as per the provisions of the Act.

During the year, the CPB handled a total of 56 procurement projects, out of which 37 were related to procurement of works, 8 to procurement of goods, 4 to procurement of consultancy services and 7 to procurement of other services. The number of projects handled in 2013 was 54. The total number of bids received in 2014 was 281.

This year again the Board focused on reducing time spent on vetting of bid documents, evaluation of bids and approval of award of contracts. As a result, the overall processing time was 70 days on average in 2014, 71 days in 2013 compared to the average time of 150 days in 2012. The Board closely monitored the overall process time and ensured all along that the principles of transparency, accountability and fairness were sustained. The objective of obtaining value for money remained an essential criterion.

During the year 2014, a few projects were undertaken on a "design and build" basis. A few lessons were learnt from this method of procurement. This method can be quite cumbersome with high risks of subjectivity during evaluation. Greater vigilance by the Board was necessary during vetting as well as at evaluation and approval stages so as to minimize, if not eliminate elements of subjectivity and bias. This partially explains the unduly long time taken on average for evaluation of bids and approval of award of contracts for these projects.

All in all, it was an interesting learning process not only for the Board, but also for the technicians, the evaluators and especially the public bodies. The Board noted that various reasons had prompted the public bodies concerned to opt for the Design and Build solution, like time saving, lack of internal resources to handle the projects, or the unavailability of services of certain technicians at the Ministry of Public Infrastructure and Land Transport.

The CPB believes that there have to be clear policy guidelines as to the type of projects that may be undertaken on a design and build basis, especially in view of the problems encountered during evaluation.

Out of the 46 awards of contract approved by the Board in 2014, 21 approvals were challenged by 36 bidders, out of which 15 subsequently applied to the Independent Review Panel (IRP) for review. The IRP concurred with the decision of the Board in 5 cases and requested the Board to review the evaluation of the bids in 7 cases and 3 cases are still awaiting for decision.

In the opinion of the Board there needs to be a better alignment between the Procurement Policy Office (PPO) directives which stem from international best practices and the stands adopted by the IRP. It is believed that as far as possible the IRP should work within the framework of such directives so that there is coherent and consistent approach towards public procurement in Mauritius.

The Board recommends that the PPO takes the lead to address these issues which, otherwise, could present serious bottlenecks in the award of contracts and the efficient and timely implementation of projects in the future.

During the year major improvements were brought in to improve efficiency in operations. An Operations Manual was produced with the participation of all the staff defining clearly the work procedures and the role and functions of each unit/officer at the CPB.

The Board, furthermore, took the initiative of revisiting its Customer Charter again with the participation of staff at all levels. The principal aims of this exercise, which was carried out with the assistance of the National Productivity and Competitiveness Council (NPCC) were to sensitize the staff about their duties and obligations towards the CPB's customers as well as the expectations of CPB's customers.

During the year, in at least two instances, bidders had submitted falsified documents in support of their respective bids and in order to qualify for participation in the bidding exercise. Following such action by bidders, the Board has now made arrangements to check the veracity and accuracy of information submitted in bids with appropriate authorities and agencies whenever warranted.

Introduction of e-procurement has been on the agenda of the Board for quite some time. The PPO has taken the lead in the matter and has been making arrangements for its introduction and operation as early as possible. On the PPO's initiative several staff members of the CPB have already received the required training.

The Public Procurement Act (PPA) also provides interalia for the CPB to receive and evaluate bids, as well as approve award of public-private partnership projects. However, no such project was processed at the CPB in 2014.

In 2014, the CPB received the visit of delegations from the African Development Bank (AfDB), the Seychelles and Uganda. The AfDB delegation discussed the CEB's project of procurement of power generating sets. The objective of the Seychelles delegation was to have an insight of our system of procurement and the delegation from Uganda focussed on the public procurement of projects in the roads and highway sector.

I wish to thank all the board members, past and present, the Chief Executive and the staff of the CPB for their dedication and support in the attainment of the objectives and goals set by the Board. Our thanks also go to the members of the Bid Evaluation Committees (BECs) who have assisted the CPB in the evaluation of bids, in spite of shouldering other responsibilities as professionals in their respective fields.

M. Baguant
Chairperson

12 May 2015

CORE VALUES

VISION:

**To be the Model for Efficient and Effective
Public Procurement in Mauritius**

MISSION:

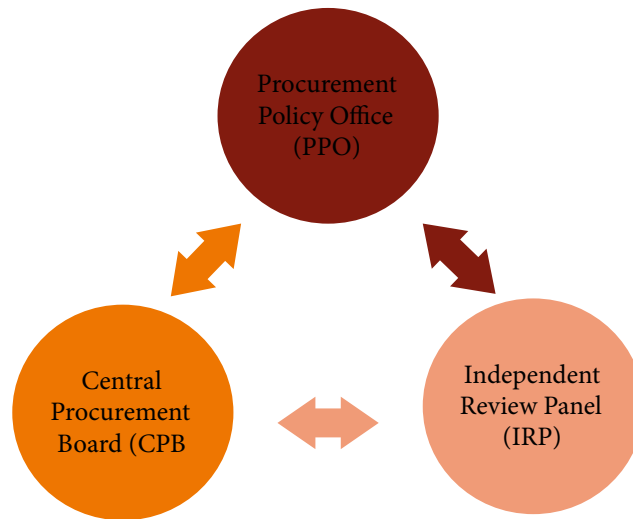
**To Ensure Value for Money in Public Procurement
and Timely Acquisition through a Fair and
Transparent Process**

VALUES:

**Accountability
Ethical Practices
Equality / Fairness
Integrity
Quality
Transparency**

BACKGROUND

Public Procurement in the Republic of Mauritius is governed by the Public Procurement Act (PPA) 2006, which provides for the establishment of the following three institutions with distinct roles, functions and responsibilities.



Procurement Policy Office (PPO)

The PPO is responsible *inter alia* for the formulation of policies relating to public procurement, the issue of Standard Bidding Documents (SBD), forms of contracts to be used by public bodies, issue of directives, compliance monitoring and training in procurement activities.

Central Procurement Board (CPB)

The main functions of the CPB are to vet bidding documents and notices submitted by Public Bodies, receive and publicly open bids, select qualified evaluators, review recommendations of Bid Evaluation Committees (BECs) and approve award of contracts. Moreover, the CPB has the important task of ensuring the highest standards of transparency and equity in the execution of its duties.

Independent Review Panel (IRP)

The IRP has the responsibility of reviewing the procurement proceedings where an unsatisfied bidder submits an application for review. If it considers there is merit in the case, it orders and recommends remedies as provided in the Act. In case of no merit, it dismisses the application.

THE CENTRAL PROCUREMENT BOARD (CPB)

The Central Procurement Board (CPB) has been established under the Public Procurement Act 2006 (PPA). Section 8 of the Act provides that *"There is established a Central Procurement Board, which shall be a body corporate, to be responsible for the approval of the award of major contracts by public bodies..."*

The PPA confers upon the CPB the responsibility to approve the award of major contracts by public bodies, the values of which exceed the prescribed amounts.

The prescribed amounts applicable to public bodies vary in the range of Rs 15m-100m, depending on the category in which the public body is listed in the Schedule to the Act.

Accordingly, any procurement by a public body, the estimated value of which exceeds the respective prescribed amount, has to be referred to the CPB.

The Act provides that, in respect of major contracts, the CPB shall, *inter alia*:

- vet bidding documents and procurement notices submitted by public bodies;
- receive and publicly open bids;
- select persons from a list of qualified evaluators maintained by it to act as members of Bid Evaluation Committees and oversee the examination and evaluation of bids;
- review the recommendations of a Bid Evaluation Committee and approve the award of the contract; or require the Evaluation Committee to make a fresh or further evaluation on specified grounds.

It is also provided that, in the discharge of its functions, the Board may:

- call for such information and documents it may require from any public body;
- examine such records or other documents and take copies or extracts from them;
- commission any studies relevant to the determination of the award of major contracts;
- request any professional or technical assistance from any appropriate person in Mauritius or elsewhere.

The Board is also responsible for the approval of award of contracts under the Public Private Partnership Act 2004.

In view of the trust the then Central Tender Board generated in the community, the Government, in the context of the major reform in the procurement system undertaken in 2006-2009, decided to maintain the central body, and restyled it as Central Procurement Board vested with more powers and functions to ensure greater transparency, accountability and fairness in the system. With the application of good governance, the organisation is better equipped to further reduce the risks of corruption.

The internal procedures have been enhanced by the Board for the discharge of the functions attributed to it under the Act with a view to ensuring further transparency, equity and fairness.

Composition of the Board

The Board is constituted of a Chairperson, two Vice-Chairpersons and three Members having wide experience in legal, administrative, economic, financial, engineering or technical matters as per the provisions of the Public Procurement Act.

They are all appointed by the President of the Republic, acting in accordance with the advice of the Prime Minister tendered after the Prime Minister has consulted the Leader of the Opposition.

In 2014, the composition of the Board was as follows:



Chairperson
Mr. Premcoomar Beeharry, CSK



Mr. Hirendranath Rambhojun
(as from 21.05.2014)



Mr. Michel Wan Bok Nale, OSK
(up to 20.05.2014)



Mr. Dharma Rajan Kundasamy



Mr. H L Rosemond
(up to 20.05.2014)



Mrs. L Suteeram
(up to 20.05.2014)



Mr. J C E Germain
(as from 21.05.2014)



Mr. A S Gooljar
(as from 21.05.2014)



Mrs. C Y F Li Ying Pin
(as from 21.05.2014)

Audit

As per Section 42 of the Public Procurement Act 2006, the Auditors of public bodies are required to state whether the provisions of the Act in respect of the bidding process have been complied with. Moreover, internal control by officers of the Ministry of Finance is also carried out at the CPB on specific issues.

Interaction with Stakeholders

The CPB is fully aware of its responsibility towards its stakeholders and continuous efforts are deployed to communicate through different means such as updating information on website, providing materials for debriefing exercises and giving prompt attention to complaints.

Board Meetings

The Chairman ensures the effective running of the Board through the full participation of Board Members in the decision-making process.

The Board promotes, encourages and relies on open discussion at meetings which provide a forum for challenging and constructive debate. To that end Board members are fully briefed on all relevant matters.



From left to right: Mrs. S. Chiniah (Secretary to the Board), Mrs. C. Y. F. Li Ying Pin (Board Member), Mr. D. R. Kundasamy (Vice-Chairperson), Mr. P. Beeharry (Chairperson), Mr. H. Rambhojun (Vice-Chairperson), Mr. K. Dosieah (Secretary), Mr. A. S. Gooljar (Board Member), Mr. J. C. E. Germain (Board Member).

Regular Board meetings are held normally on Mondays and Thursdays. Ad hoc meetings are held *inter alia* to review bidding documents submitted by Public Bodies and to consider specific or urgent matters. Members of the Board are called upon, in accordance with the Act, to carry out public opening of bids.

Year	No. of Regular Meetings of the Board	No. of Ad Hoc Meetings of the Board	No. of Meetings for Public Opening of Bids
2012	103	74	46
2013	97	96	49
2014	104	40	49

Table 1: Meetings

MANAGEMENT AND PROCESSES

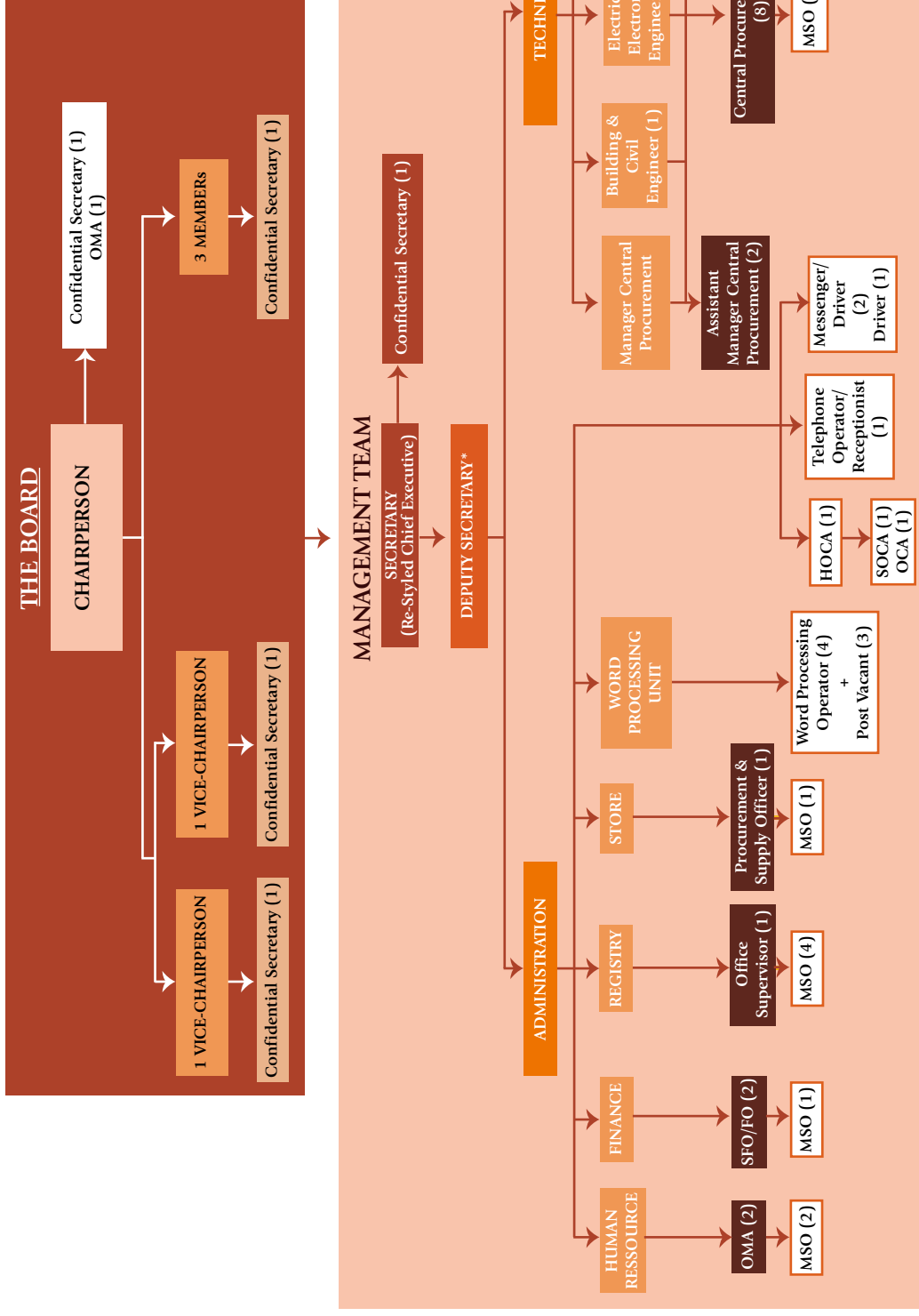


Figure 7: Organisation Structure of the CPB

- OMA Office Manager Assistant
- MSO Management Support Officer
- SFO/FO Senior Financial Officer/Financial Officer
- HOCA Head Office Care Attendant
- SOCA Senior Office Care Attendant
- OCA Office Care Attendant
- *Deputy Secretary will be re-styled to Deputy Chief Executive

Management

The Management composed essentially of a Secretary (re-styled Chief Executive), is supported by an administrative staff and a technical team of professionals comprising, amongst others, engineers and procurement officers.

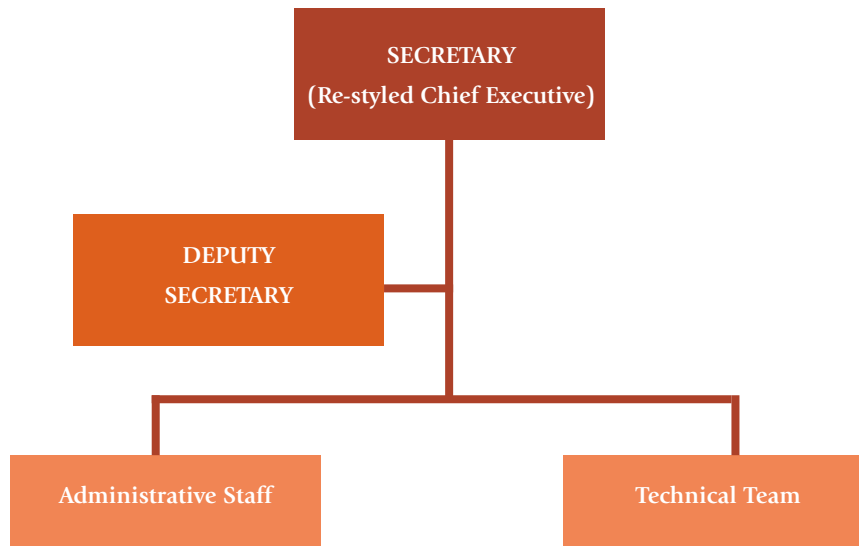


Figure 2: Management



Mr. K. Dosieah
(Secretary of the CPB)

The Secretary implements board decisions and being the Accounting Officer, also manages day to day operations. He prepares and submits papers to the Board for decision and apprises the Board of all important issues requiring consideration and action.

It is intended to appoint a Deputy Secretary, who will assist the Secretary in the discharge of his duties.

Human Resource

The Act provides that the Board shall be staffed by such public officers as may be designated by the Head of the Civil Service, or by such persons as may be appointed by the Board under contract terms and conditions, following public advertisement.

At the end of December 2014 the workforce of the CPB comprised 47 employees, including eight contract officers and excluding the six members of the Board.

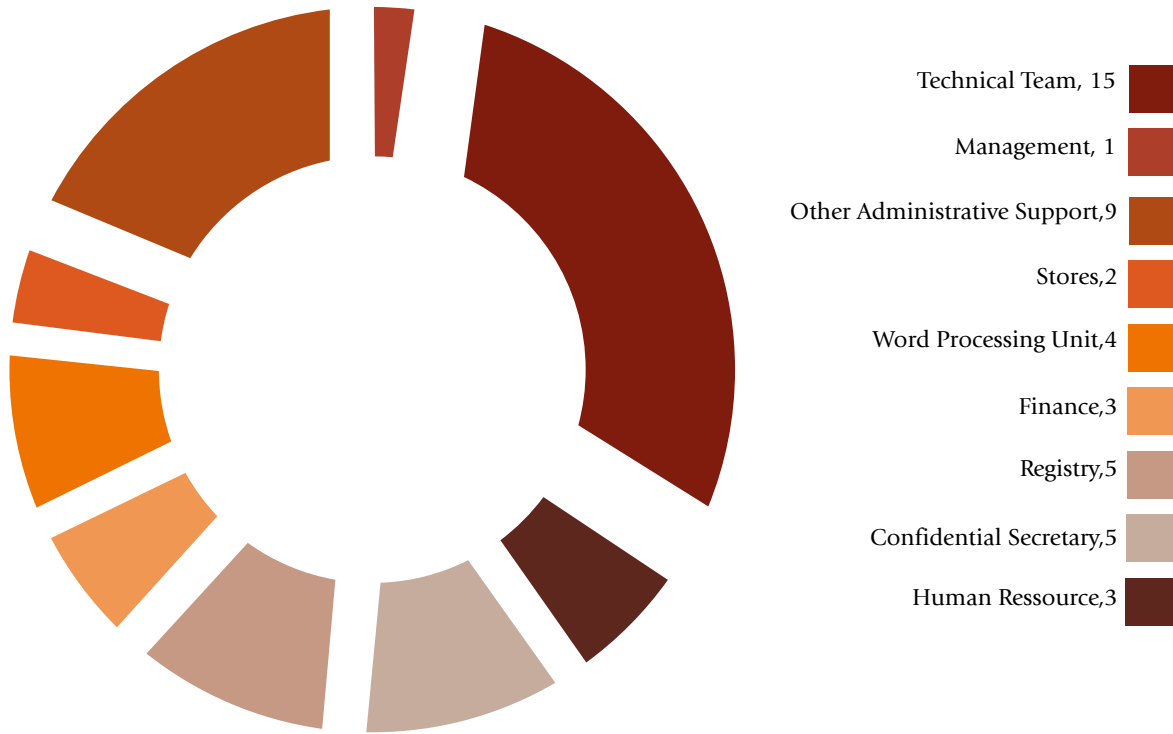


Figure 3: Distribution of Staff of the CPB

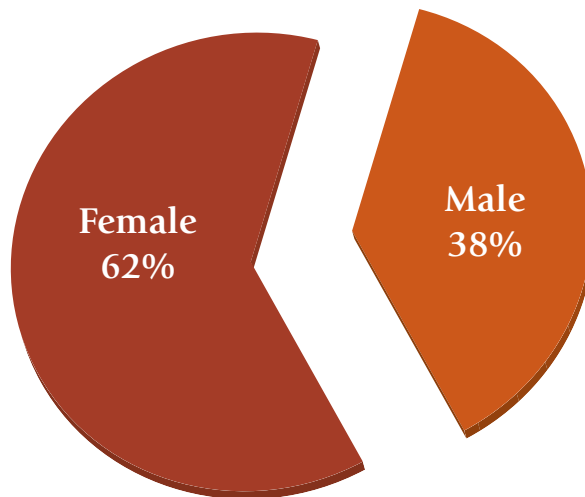


Figure 4: Gender Distribution of the Staff

Capacity Building

Functional competencies of staff play a major role at the CPB. The Board lays much emphasis on building the capacity of the staff to render the organization more effective through learning and development and staff well being. 24 staff members attended training courses organized by PPO, Ministry of Finance and Economic Development and Ministry of Civil Service and Administrative Reforms during the year 2014.

Health and Safety

Employees of the CPB work in an office environment and are not exposed to high level of risks. Nevertheless, for the well being of all staff, adequate precautions are taken to minimize risks and ensuring a conducive work environment. The building is equipped with CCTV cameras and security guards are posted for security of staff and documents. The fire fighting system is regularly checked and exit doors are clearly marked in case of emergency.

Mission to Rodrigues

A delegation of the CPB proceeded to Rodrigues from 26 to 28 March 2014.

Working sessions were held with Mr. Serge Clair, Chief Commissioner, Mr. J. D. Hee Hong Wye, Acting Island Chief Executive and departmental heads. Training workshops were also held with 75 Procurement Officials, comprising, Technical Heads, Engineers, Technical Officers, Procurement Officers, Project Managers, among others.

Issues Discussed

- Ways and means of expediting the procurement proceedings.
- Shortcomings noted in bidding documents submitted for vetting, and ways and means of expediting the clearing of bidding documents.
- Difficulties encountered by the RRA to release staff to form part of Bid Evaluation Committees (BECs).
- Possibility of reducing the evaluation time so as to minimize the length of stay of Rodriguan officials in Mauritius.
- Importance of submitting complete bidding documents including the appropriate check list, a realistic estimated cost, a procurement plan and a draft procurement notice, with a view to expediting the vetting exercise.
- Role and responsibilities to ensure due diligence in the preparation of bidding documents.

Decisions Taken

- (i) Where the need of a Rodriguan Official as member of the BEC is considered not essential, he may be replaced by another evaluator from Mauritius.
- (ii) In so far as projects for the RRA are concerned, arrangements will, henceforth, be made for evaluations to start on a Monday and to be undertaken on a full time basis so as to make judicious use of the time of Rodriguan officials, and avoid long stays in Mauritius.
- (iii) In order not to lose time in exchange of correspondences, teleconferencing will be resorted to, to discuss about amendments to be brought to bidding documents.



Working Sessions in Rodrigues

Overseas Delegations

In 2014, the CPB welcomed three distinct delegations from the African Development Bank (AfDB), the Seychelles and Uganda National Roads Authority (UNRA) respectively.

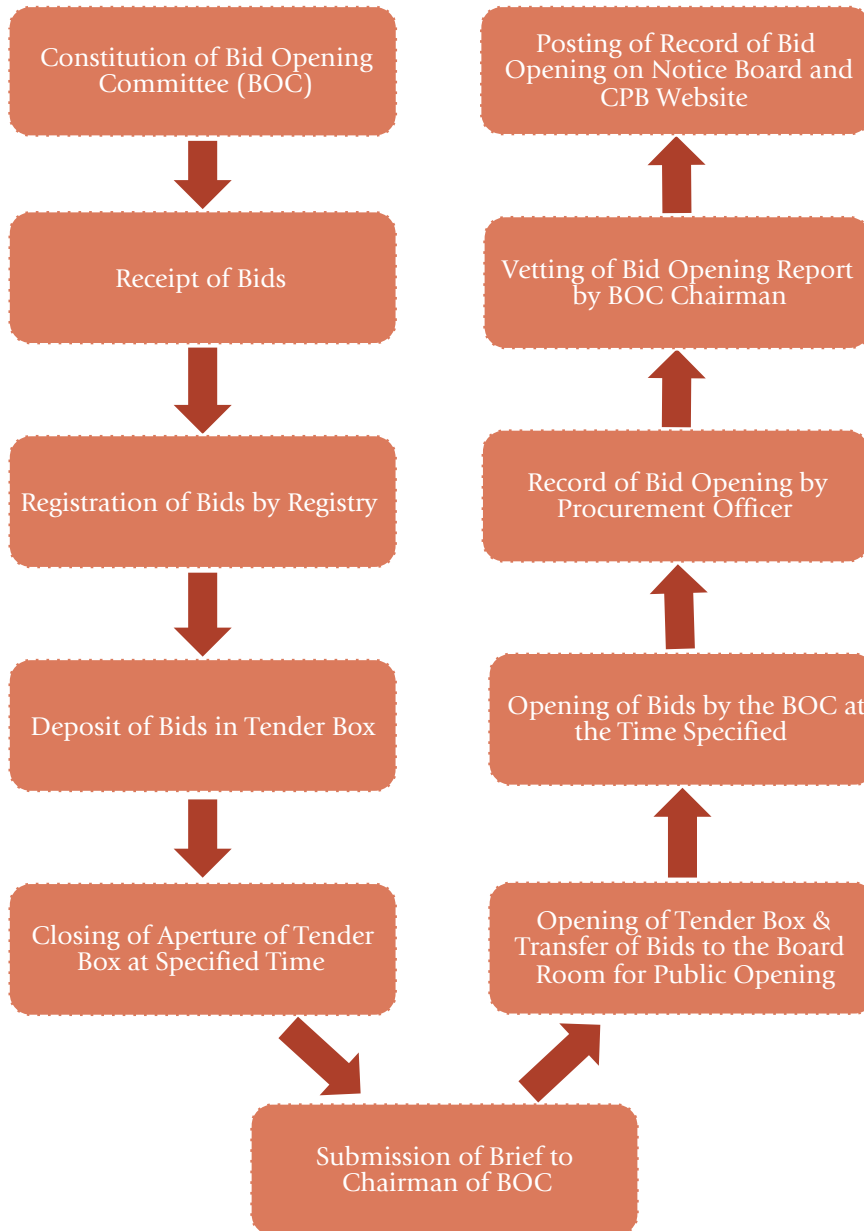
The delegation from AfDB was on an appraisal mission to Mauritius in connection with the "Redevelopment of the Saint Louis Power Plant" project. The first visit to the CPB on 24th January 2014, a preparation mission, was followed by a second visit on 21st February 2014 and dealt with the mapping out of the procurement arrangements and the reviewing of procurement notices and bidding documents, relevant to the project.

A delegation of five persons from the Seychelles paid a courtesy visit to the CPB on 5th September 2014. This visit to Mauritius, included also other public institutions and ministries, and had as main objectives to cover areas like procurement under the "framework agreement", auditing process, bidding process, domestic preference and procurement of Public-Private Partnership (PPP) projects.

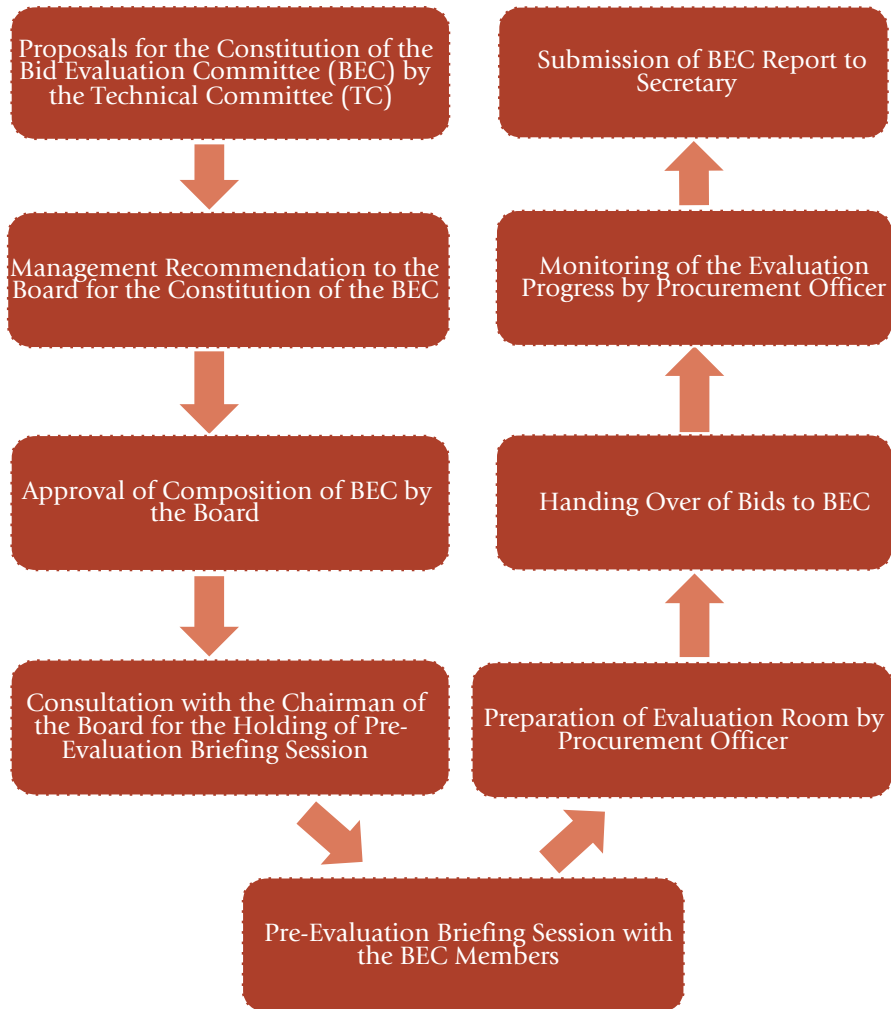
On 12th December 2014, the CPB welcomed a delegation of three persons from the Contracts Committee of the UNRA who were accompanied by Mr. M. S. Diljore from the Road Development Authority. The objective of the visit to the CPB was to get an insight into the public procurement policy, planning and implementation of projects in the roads and highway sector.

Process Flows

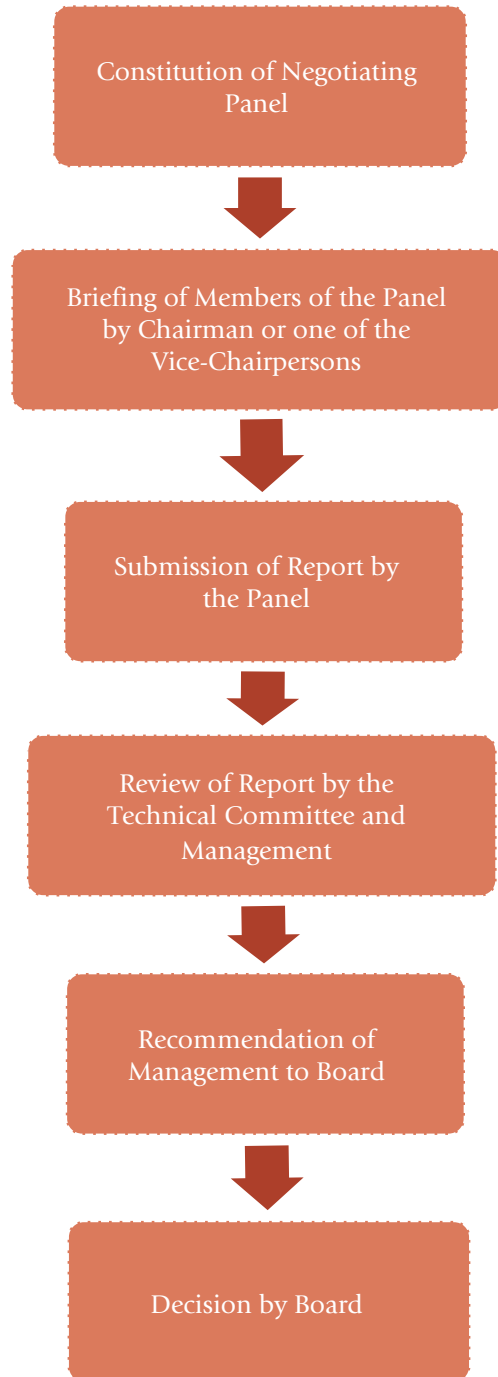
Receipt and Opening of Bids



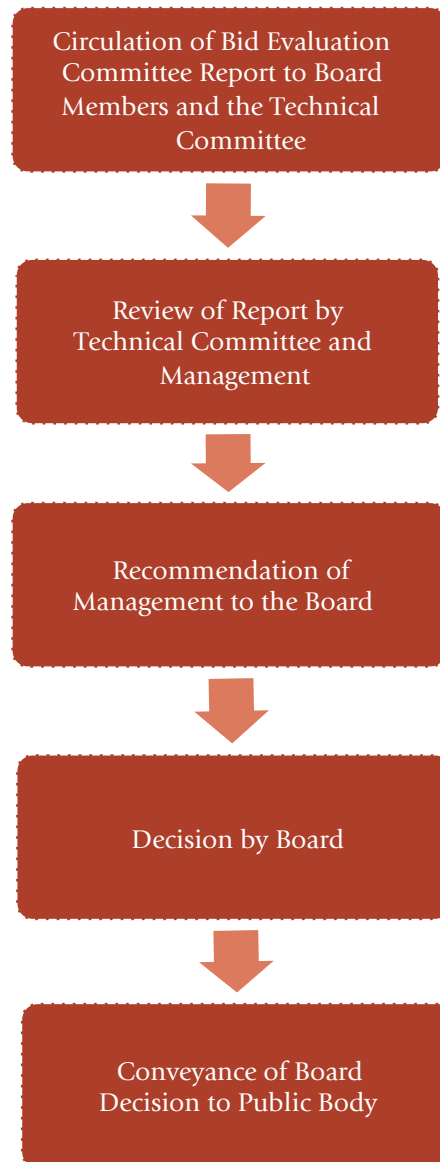
Evaluation of Bids



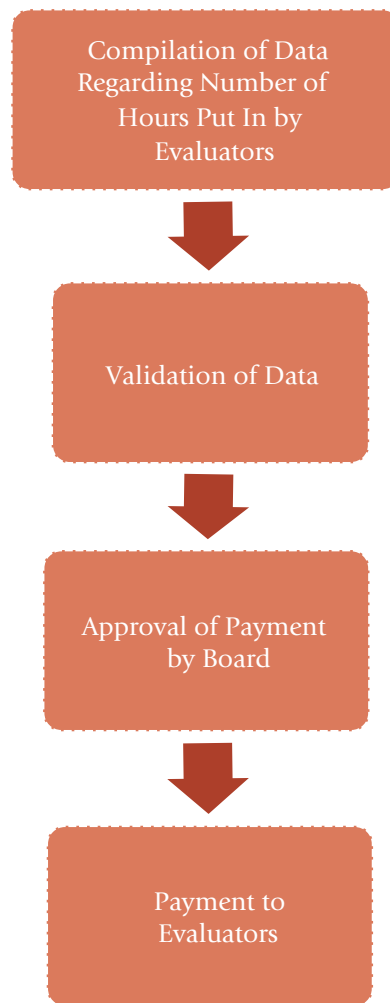
Protocol for Negotiation



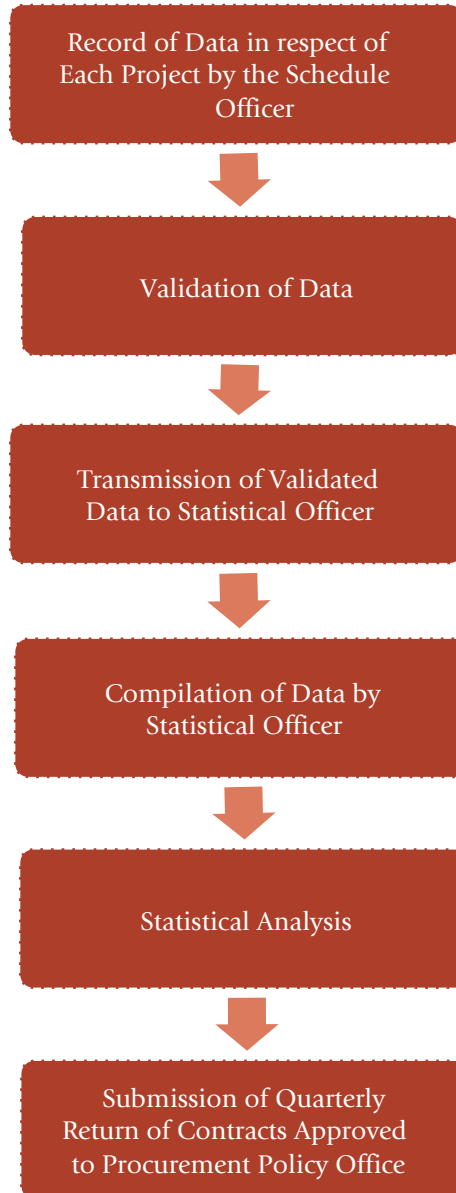
Approval of Award



Payment of Fees to Evaluators



Compilation of Statistics





CWA Works at John Kennedy Ave, Vacoas

STATISTICS

Bidding Process

The main stages in the bidding process are:

- (i). Vetting of bidding documents;
- (ii). Receipt / Opening of bids;
- (iii). Evaluation of bids to determine the lowest evaluated substantially responsive bid; and
- (iv). Approval of award.

Vetting of Bidding Documents

At the CPB, the vetting of bidding documents remains one of its core functions. The principal objectives of this prominent exercise are to ensure *inter alia* that:

- a) the proposed procurement method is the most appropriate and that the clauses in the bidding documents offer a clear understanding to all parties concerned;
- b) the specifications and evaluation criteria are not restrictive and fair competition will prevail; and
- c) the concept of value for money will be attained.

Over the last 2 years, the CPB has put in place several measures, so as to ensure quality bidding documents. These include the introduction of checklists, guidelines, procurement plans, training and so on. Furthermore, public bodies can make use of the Help Desk put in place at the CPB.

Once bidding documents for a project are received at the CPB, they are jointly studied and amended when necessary by the Procurement Officers and Engineers and submitted to the Board for clearance. The proposed amendments are thereafter communicated promptly to the public body concerned. Generally, this is done within two working days after board clearance.

The various measures put in place in 2013 has resulted in a further decrease in the average vetting duration in 2014 which was 12 days compared to 24 days in 2013 and 65 days in 2012. The chart below shows the average vetting duration over the past 3 years.

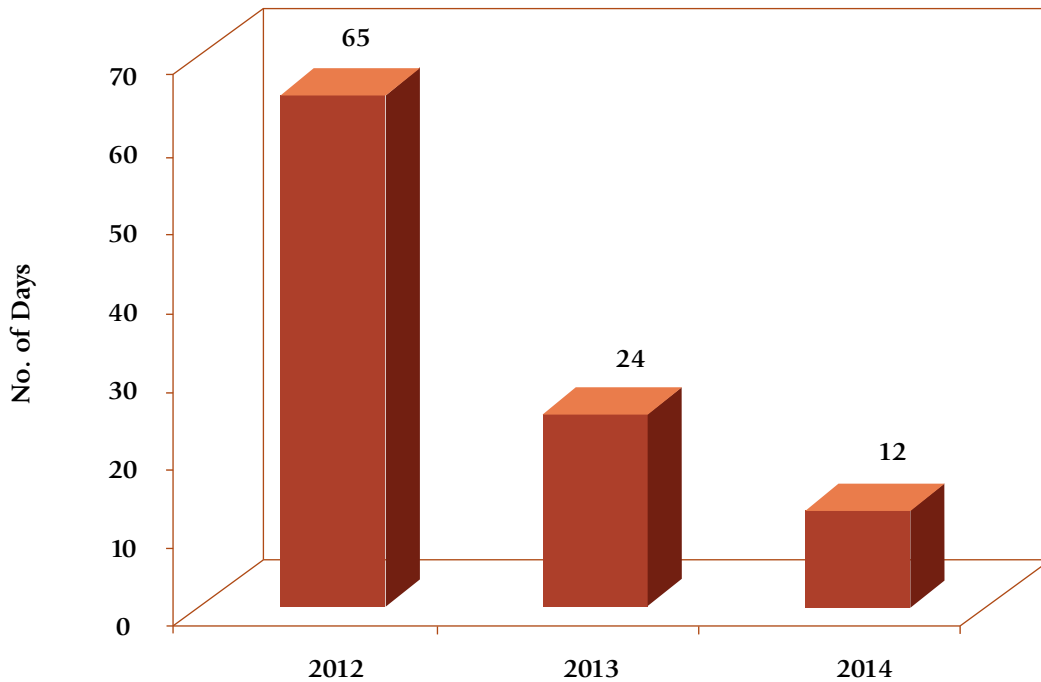


Figure 5: Average Vetting Duration

Public Opening

The CPB ensures that this stringent function is carried out strictly within the parameters set by the Board, in compliance with the Public Procurement Act and Regulations.

The total number of public openings carried out in 2014 was 49 which is same as in 2013. The total number of bids received in 2014 was 281 compared to 325 in 2013, thus bringing the average number of bids per bidding exercise from 7 in 2013 to 6 in 2014.

These are shown in the table below:

Year	No. of Public Openings	No. of Bids Received	Average No. of Bids per Bidding Exercise
2012	46	269	6
2013	49	352	7
2014	49	281	6

Table 2: Opening of Bids



NHDC Housing Project at Camp Ithier

Evaluation of Bids

Bid Evaluation Committee (BEC)

The constitution of the bid evaluation committee is carried out in a timely manner, so as to ensure that evaluation is undertaken immediately after the bid opening exercise. Each designated member of the committee is requested to confirm his agreement in writing for the proposed assignment, prior to starting the evaluation.

The public body initiating the project is requested to nominate one representative on the BEC and as per legal provisions, a Secretary to service the committee.

Before starting the evaluation exercise, members of the evaluation committee are briefed on the procedures, their duties and responsibilities. Furthermore, upon agreement of a timeframe, management ensures that all necessary materials are provided for an effective evaluation process with a procurement officer acting as facilitator to each BEC.

Management monitors the progress of the evaluation, and a report is submitted to the Board on a weekly basis. The Board reacts promptly to all matters brought to its knowledge including the approval of any additional time required for completion of the evaluation exercise.

Evaluation Process and Duration

To cater for the various types of procurement projects being handled, the CPB maintains a register of potential evaluators with relevant qualifications and having proven experience in the various fields including, but not limited to, Architecture, Accounting, Quantity Surveying, Engineering, Administration and Health. The evaluation by public officers is carried out mostly after normal working hours and on Saturdays. This obviously leads to an increase in the duration of the exercise.

For non-current skills, the Board has recourse to professionals in specific sectors, as and when the need arises. With a view to reducing time and dependency on officials from the public sector, the CPB has enlisted services of retired professionals as well.

All relevant issues including evaluation criteria, are raised and cleared at the vetting stage, so as to enable a smooth flow of the evaluation and a timely completion.

In 2013, the average evaluation duration per bid exercise was 11 days. However, this increased to 16 days in 2014 mainly because of the evaluation of three "Design and Build" projects. In order to mitigate subjectivity risk and bias, 155 days had to be spent on the evaluation of these projects.

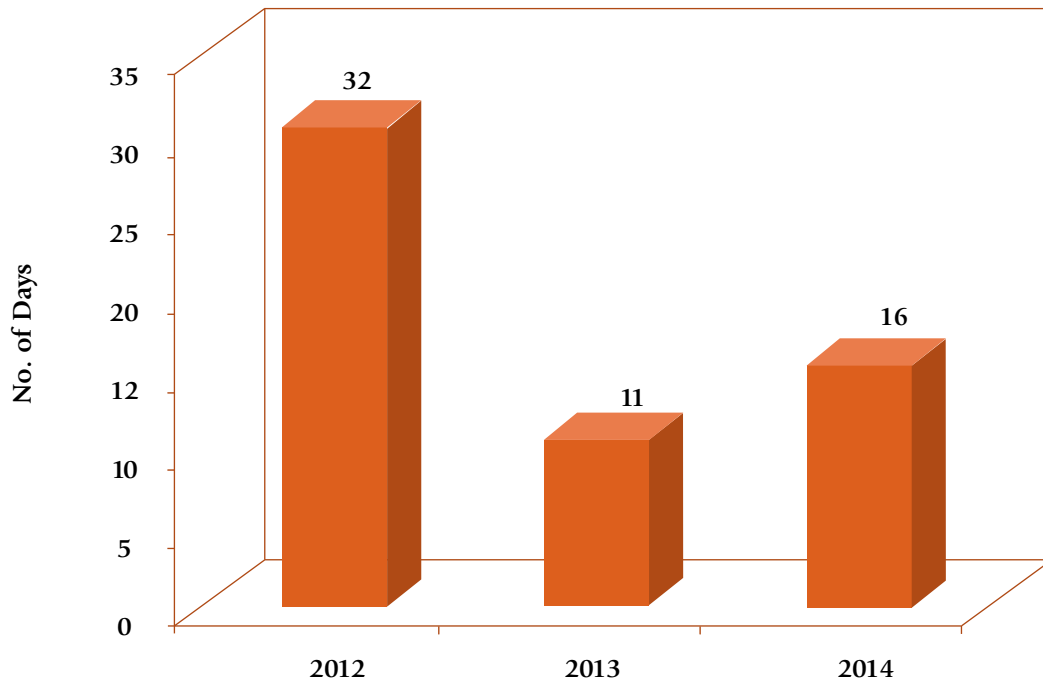


Figure 6: Average Evaluation Duration

Evaluation of Bids per Procurement Type

The number of bid evaluations per project procurement type namely works, goods, consultancy services and other services in 2014, is shown in the following chart. While the total number of bid evaluation in 2012, 2013 and 2014 has been more or less the same, i.e. 50, 46, 47 respectively, there have been changes in the procurement type.

In 2014, the number of bid evaluation in the works sector amounted to 32 compared to 23 in 2013, i.e. an increase of 40%. There has been a decrease in the other types of procurement, as illustrated below.

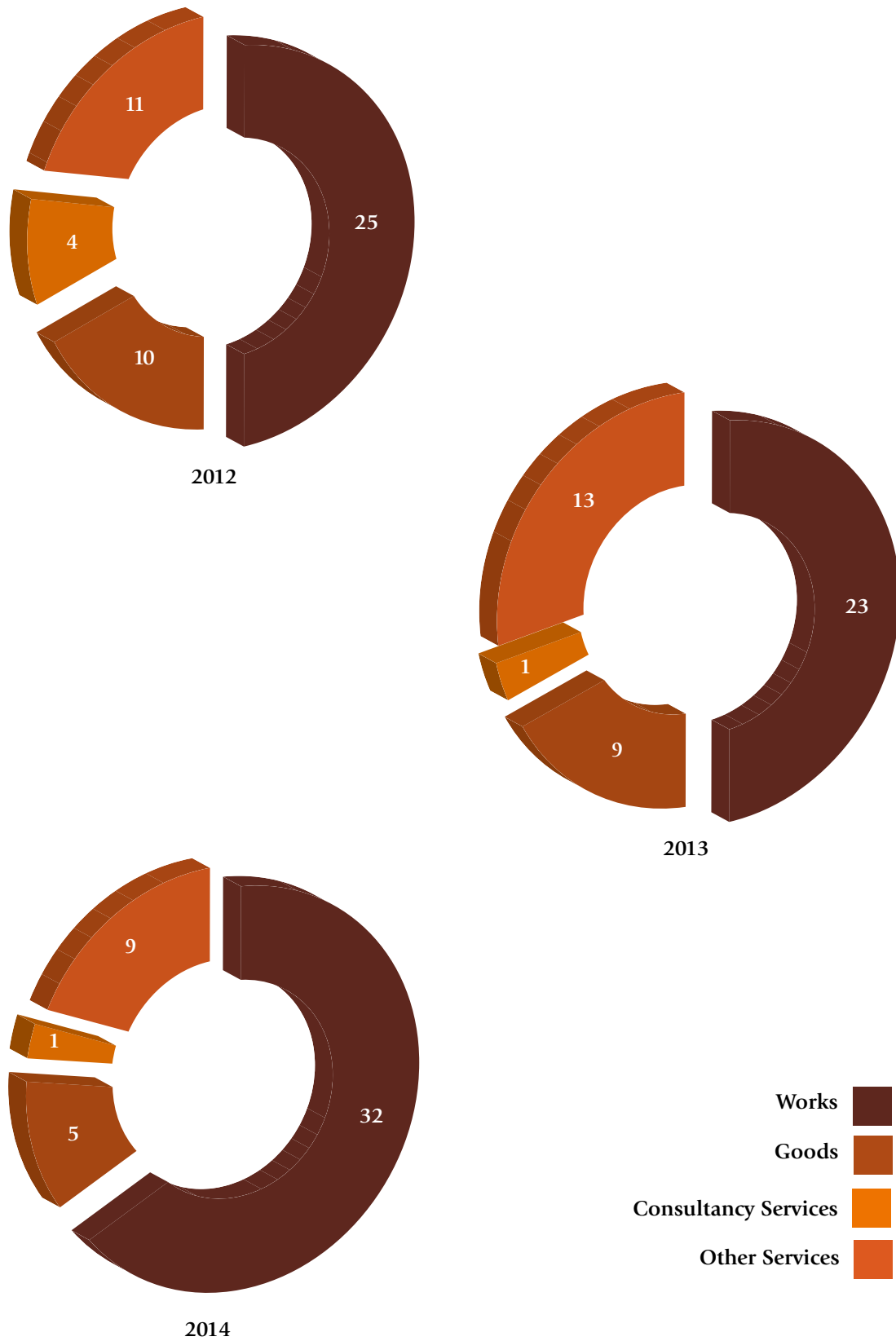


Figure 7: Number of Evaluation per Procurement Type



Extension of Container Terminal – Mauritius Ports Authority



Extension of Container Terminal – Mauritius Ports Authority

Approval of Award of Contracts

Another priority of the Board has been to reduce the timeframe for the approval of award of contracts following completion of evaluation.

The technical team of the CPB carries out a due diligence of the evaluation report and submits its recommendation to the Board through management.

The objective is to complete the procurement exercise well before the expiry date of the bid validity. The Board is aware of the associated risks and uncertainties when bidders are requested to extend the validity of their bids. In 2014, the average time taken for approval of award was 9 days, which is the same as in 2013. The chart below shows comparative figures for the last three years.

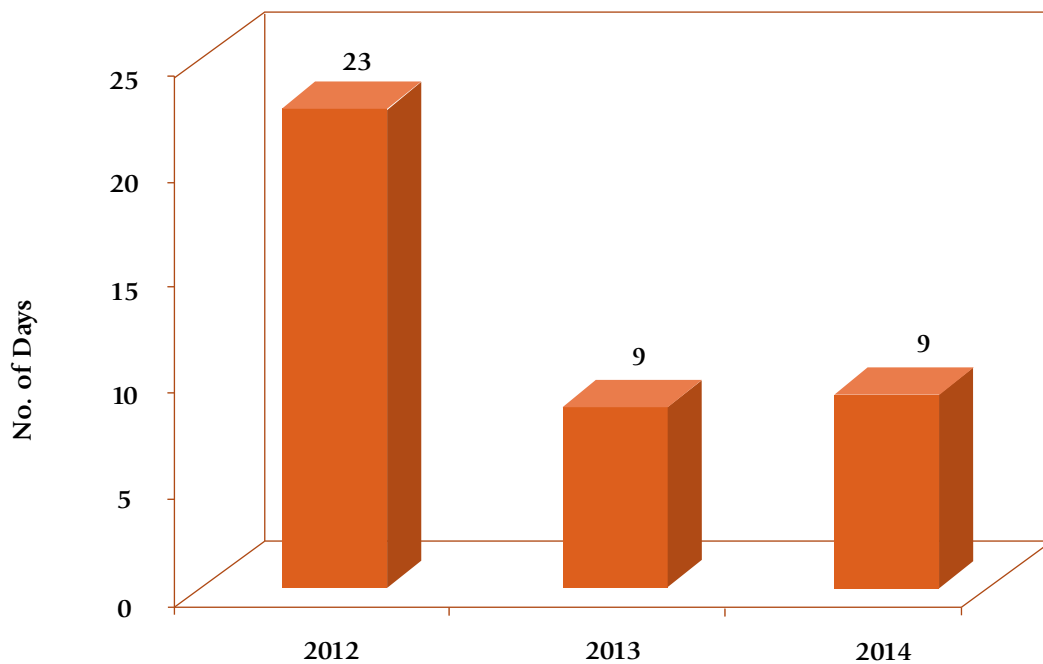


Figure 8: Average number of days for approval of award

High value contracts approved in 2014 for award

Project	Public Body	Value of Contract Approved (Million Rs.)
Framework Agreement for Maintenance and Minor Works (2014 - 2016)	Road Development Authority	5,909
Extension & Strengthening of Mauritius Container Terminal Quay Project Marine - Civil Works Package	Mauritius Ports Authority	4,135
Construction of Bagatelle Water Treatment Plant	Central Water Authority	1,024
Upgrading of Moka-Camp de Masque-Flacq Road (A7) from Providence to Flacq	Road Development Authority	917
Treatment of Landslides / Remaining Roadworks on Southbound Carriageway at Ripailles	Road Development Authority	762
Supply of Petroleum Products under Framework Agreement for Period October 2014	Ministry of Public Infrastructure, National Development Unit, Land Transport & Shipping	623
Infrastructure Works for Cargo and Freeport Zone at SSR International Airport Phase 2	Airports of Mauritius Limited	420
Design, Construction, Supply and Commissioning of One Azimuth Stern Drive (ASD) Tug	Mauritius Ports Authority	303 (USD 9.5M)
Construction of Interim Storage Facility for Hazardous Wastes at La Chaumière	Ministry of Local Government & Outer Islands	229
Supply and Replacement of Water Mains in John Kennedy, Vacoas	Central Water Authority	215
Supply and Replacement of Water Mains in Curepipe	Central Water Authority	188
Supply & Replacement of Water Mains in Solferino, Vacoas	Central Water Authority	181
Supply of Medical Gases for Financial Years 2015 and 2016	Ministry of Health & Quality of Life	179
Maintenance of Harbour Cranes	Cargo Handling Corporation Limited	178
Construction of a New International Multi Purpose Sports Complex at Triolet	Ministry of Youth & Sports	172
Office Building and Laboratory Facilities at Albion for Mauritius Oceanography Institute	Mauritius Oceanography Institute	163
Construction of 155 Nos Low Cost Housing Unit and Associated Infrastructure Work at Quatre Coco	National Housing Development Company Limited	152

Project	Public Body	Value of Contract Approved (Million Rs.)
Procurement for the Refurbishment of Three Hangjung Ship to Shore Cranes	Cargo Handling Corporation Limited	154
Construction of 149 Low Cost Housing Units and Associated Infrastructure Works and 60 Serviced Plots at Camp Ithier	National Housing Development Company Limited	152

Table 3: Some high value contracts approved in 2014 for award

The project for Redevelopment of Saint Louis Power Station - Design, Supply, Installation & Commissioning of 4 x 15 MW Diesel Generating Sets for the Central Electricity Board was not approved for award as the only bid received was not responsive.



Treatment of Landslides at Ripailles – RDA



Works for Cargo and Freeport Zones at Plaisance – AML

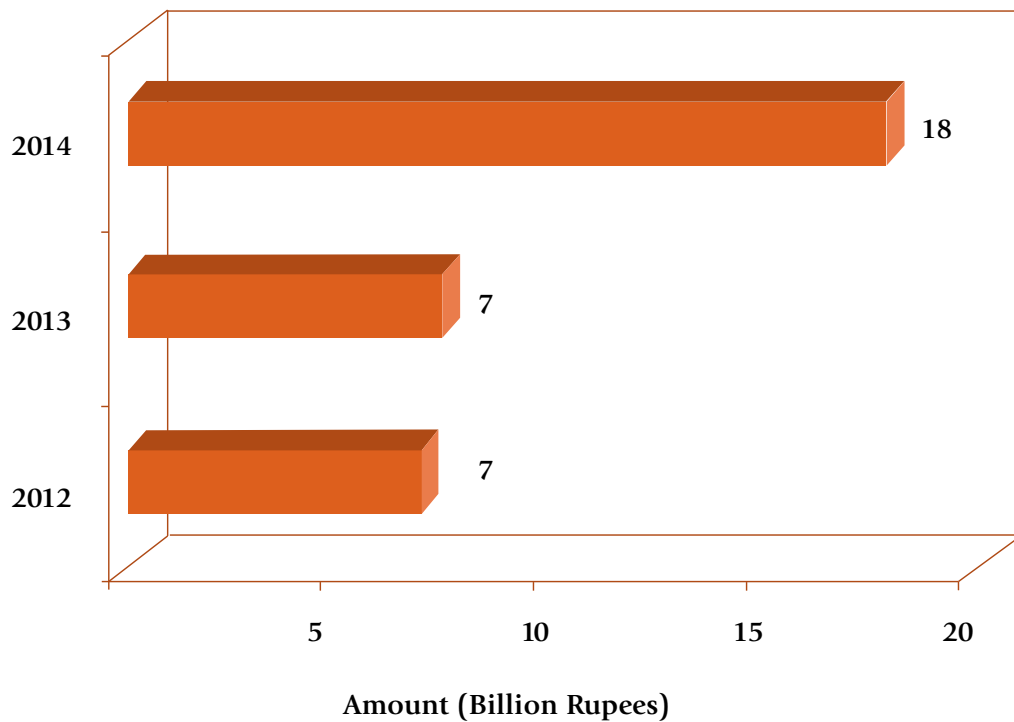


Extension of Container Terminal – Mauritius Ports Authority

Value of Contracts Approved

In 2014, the CPB approved award of contract in respect of 44 projects for a total value of Rs 17,740,948,032.50, as against Rs 7,274,655,889.42 in 2013 for the same number of projects approved. The value of contracts approved in 2014 has increased substantially, i.e. by about 144% compared to 2013. This is attributable to three high value projects amounting to Rs 11,068,461,937, namely:

- a) Framework Agreement for maintenance of minor works (2014 - 2016);
- b) Extension & Strengthening of Mauritius Container Terminal Quay Project Marine - Civil Works Package; and
- c) Construction of Bagatelle Water Treatment Plant.



Statement of Expenditure

Total operating costs of the CPB amounted to Rs 50,344,997 for year 2014; this figure includes Rs 8,205,592.05 as fees paid to evaluators. The table below shows detailed costs for the past three years.

ITEM	AMOUNT (Rs)		
	2012	2013	2014
Staff costs	25,430,014	30,834,093	31,512,980
Evaluation fees	14,629,215	8,596,471	8,205,592
Rent, equipment, furniture & other utilities costs	5,879,241	5,783,933	6,101,333
Sundries & postage	2,232,194	2,188,058	1,976,219
Maintenance of building, equipment, vehicles and ors	1,361,397	1,882,057	1,641,598
Printing & stationery	882,180	725,324	603,403
Other expenditure	475,286	187,220	303,872
Acquisition of vehicles	-	754,384	-
TOTAL	50,889,527	50,951,539	50,344,997

Table 5: Cost of the Organisation

NEW PROCUREMENT CHALLENGES & AVENUES FOR IMPROVEMENT

Improved Framework Agreement

Prior to year 2014, for the maintenance of roads, drains and minor works under the responsibility of Road Development Authority (RDA), the island was divided into four zones: North (Pamplemousses and Rivière du Rempart), South (Grand Port and Savanne), East (Moka and Flacq) and Central (Plaines Wilhems and Black River). The works contract for each zone was awarded to one contractor as per the recommendation of the CPB following invitation of bids. That contract could be considered as made up of many small contracts, termed as Works Orders, which the employer instructs the contractor to execute using the item rates in its bid but the quantities vary depending on the types of works. Examples of such works are: resurfacing of roads, road marking and fixing of guardrails scattered at different places within a particular zone.

For the procurement of the maintenance, repairs and rehabilitation of government buildings (MPI), there were ten zones; each district being a zone except Plaines Wilhems which was divided into two zones because of its size and the large number of Government buildings. Each zone was awarded to one contractor.

Competition has improved with the introduction of the Framework Agreement, which provides for the selection of three contractors for each zone. Works orders are issued following a mini competition among the three selected contractors using their respective rates. Such agreement has also led to a significant reduction in the number of bidding exercises. This means a much faster execution of minor works. Other public bodies such as the Traffic Management and Road Safety Unit, Municipal Councils, District Councils and the National Development Unit should liaise with Road Development Authority, which is the Lead Organisation, to undertake similar works using the Framework Agreement.

«Design & Build Contracts»

After consultations with stakeholders, the PPO has issued standard bidding documents for Design & Build (Turnkey) Contracts. The document caters for instances where plant and machinery are to be procured and is customised for building works. Recent experience at the CPB has shown that there are many areas requiring further attention in preparation of bid documents to capture on the one hand the exact requirements of the public body and on the other hand to ensure fairness in the final selection of the bidder.

The following are some of the elements that need to be taken into account in “Design and Build” projects for building works:

- Cost estimates;
- Design brief and nature of building proposed;
- Evaluation criteria (to minimise subjectivity);
- Detailed markings (weightage to reflect importance of each item).

Specific Types of Procurement

Public Bodies are sometimes faced with procurement exercises where there is no appropriate standard bidding document. In 2014, the CPB had to deal with two such projects, namely the procurement of a second-hand shipping vessel and the appointment of an event organiser for an international congress. Subsequently, the bidding documents had to be customised.

Project Preparation and Quality of Draft Bidding Documents

Proper project preparation is an essential step in the implementation of projects, whether small or large. This requires appropriate data collection, precise requirements and scope of the procurement exercise, accurate and unbiased specifications, clearances from relevant authorities, well-prepared bidding documents, realistic and up-to-date cost estimates. All these will eventually lead to a competitive bidding process, value for money outcomes, minimum variations and successful implementation.

Experience has shown that some public bodies do not give sufficient attention to these aspects with the result that delays occur at every step in the implementation of the project.

Cost Estimates

Public bodies are required to submit cost estimates of the project for the procurement exercise being processed at the CPB. These estimates are crucial in the steps leading to the award of a contract. The PPA (2006) Section 39 (1) (b) provides for rejection where *"the lowest evaluated bid is substantially above the applicable updated cost estimates."*

It has been noted that there is a lack of rigour in the preparation of estimates by certain public bodies. Specificity of projects and their locations are not fully catered for; this result in estimates being grossly understated leading to cancellation of the bidding exercise. On the other hand, it has also been noted that in view of probable insufficient data on market rates or unusual specifications of certain materials, estimates have been very approximate, resulting in over-estimates of projects cost.

Some building projects are estimated on a per unit area basis and no proper adjustments are made for external works as well as subsequent increases in floor areas. Public bodies should submit pre-bid estimates inclusive of all changes that have been incorporated in the bidding documents. As far as possible, consultants have to fill in the Bills of Quantities on actualised rates to obtain a fair estimate of cost of projects. These rates become important at time of negotiation under **"special circumstances"** as provided in Section 8 (a) of Public Procurement (Regulations 2008) which states that *"negotiations may be carried out with a bidder or supplier where - (a) the lowest evaluated substantially responsive bid is substantially above the updated estimated costs and a re-bid exercise is considered not practical."*

e-Procurement

Government is in the process of introducing e-procurement for the procurement of goods, works, consultancy services and other services using electronic methods from preparation of bidding document up to award of contract. It is expected that this procurement system will be introduced in the year 2015.

Public bodies and suppliers will be able to interact through a single point of contact. The vetting of bidding documents, issue of addenda, bid submission, bid opening and other issues related to the bidding process will all be conducted in real-time, on-line. At bid opening, bidders will view system-generated comparative sheets of their respective bids. These will include total bid price or line item prices and a bid opening report.

The e-procurement system will enhance transparency and efficiency, improve monitoring and control in procurement process, reduce cost of doing business for both government and suppliers, and establish a fair competitive platform for the suppliers. All these processes will be supported by a state of the art security system incorporating the Public Key Infrastructure (PKI) technologies.

CENTRAL PROCUREMENT BOARD STAFF WELFARE ASSOCIATION (CPBSWA)

About the CPBSWA

Established since 2009, the Central Procurement Board Staff Welfare Association (CPBSWA) as at December 2014, counted 46 members.

The Executive Committee, since January 2014, was chaired by Mrs. P. Budhai, Procurement/Senior Procurement Officer.



From left to right: Standing - Mrs. R. D. Chettiar (Executive Member), Mrs. F. Abdul (Executive Member), Mrs. S. Ramkissoon (Assistant Treasurer), Mr. S. M. Seeburn (Executive Member), Mrs. A. Souky (Vice President), Mrs. K. Ramen (Assistant Secretary), Mrs. S. Jhaumal (Executive Member)

Seated - Mrs. M. A. Pitois (Treasurer), Mrs. P. Budhai (President), Mrs. V. P. Seevathian-Nilamber (Secretary)

The regular activities of the association during year 2014 has, without any doubt, contributed to meet one of the objectives of the association, that is creating a spirit of oneness within the organization.

Activities of the CPBSWA

The activities organized during the year 2014 were:

- | | | |
|----------------|---|--|
| January 2014 | - | Talk by Naturopath |
| February 2014 | - | Draw of Corbeille Ménagère |
| March 2014 | - | Special General Meeting and Briani Sale |
| April 2014 | - | Outing (Nature Walk at Plaine Sophie, Pétrin and lunch at St. Félix) |
| May 2014 | - | Get-together in honour of the Chairman of the CPB being decorated CSK |
| June 2014 | - | Bring and Buy |
| July 2014 | - | Talk on Stress Management by officer of the Life Plus Unit of the Ministry of Social Security, National Solidarity and Reform Institutions |
| September 2014 | - | Annual General Meeting and Briani Sale |
| October 2014 | - | Blood Donation |
| November 2014 | - | Civil Service Kermesse |
| December 2014 | - | Outing at Casela and Lunch at Ocean Restaurant |



Talk by Naturopath



Winner of Corbeille Ménagère in February



Outing in April (Plaine Sophie, Pétrin, St. Félix Public Beach)



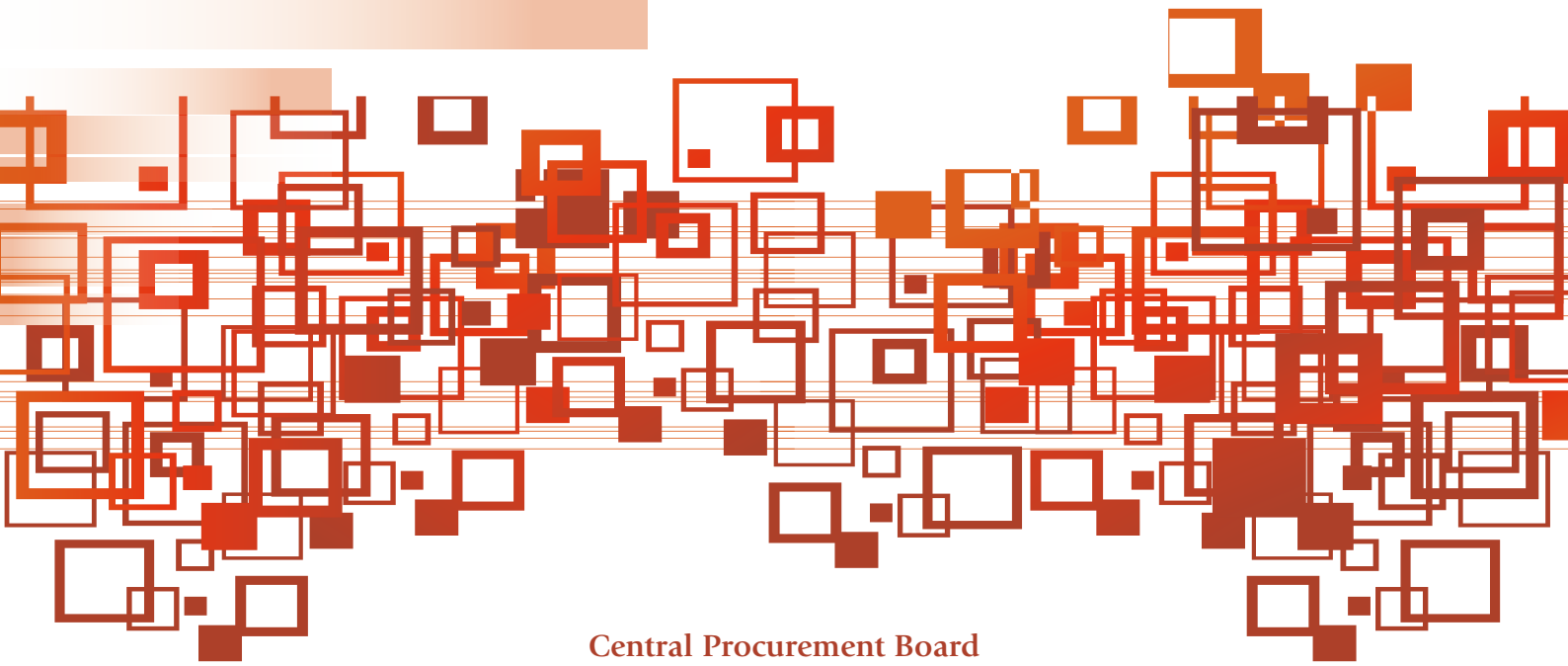
Get-together



Visit to Casela Nature Park







Central Procurement Board

1st Floor, Social Security House
Julius Nyerere Avenue
Rose Hill, Mauritius
Tel: (230) 465 9300
Fax: (230) 465 0846
Email: cpb@govmu.org
Website: <http://cpb.govmu.org>