



REPUBLIC OF MAURITIUS  
**Central Procurement Board**

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**Ref.: ADM/CPB/CIRCU/23/01**

**Circular No. 3 of 2023**

**From: Chief Executive Central Procurement Board**

**To: Supervising Officers in Charge of Ministries/Departments and Head of Public Bodies**

**Updated Estimated Costs**

It has been noted as of late that some projects of national interest are being cancelled as the bids received exceed by far the cost estimates. In fact, when the lowest bids received are above 25% of the cost estimates, in line with Section 25B(2)(b)(ii) of the Public Procurement Act 2006, no negotiations can be resorted to with the bidders. This eventually results in unnecessary delays in realization of projects and wastage of valuable resources in terms of time, costs, and manpower.

2. In this context, the Central Procurement Board strongly advises all Public Bodies to be careful in the preparation of cost estimates by following early market engagement in line with Directive No.25 issued by the Procurement Policy Office to ensure that realistic cost estimates are prepared, and which reflects the actual rates prevailing in the market. Furthermore, experience has shown that there are inevitable cost escalations whenever the projects are delayed (at the prevailing rate of inflation over the delayed period).

3. A realistic and detailed estimated cost of the project is essential for the Central Procurement Board to ensure value for money of bids received. This element is also crucial for Public Bodies to appropriate the optimum amount of funds in the budget for the project implementation (*re Annex*).

4. Supervising Officers are therefore requested to disseminate the contents of this circular to all the public bodies falling under their purview and to ensure that cost estimates are carefully worked out and **updated** to reflect the current market rates.

5. This Circular supersedes CPB Circular No.1 of 2009.

**Central Procurement Board**  
**16 February 2023**

## ANNEX

### Information in Cost Estimate

The detailed estimated cost of the project to be submitted by the Public Bodies should include, *inter alia*, the following information (where and as applicable):

- Basis of exchange rate (e.g. based on 1 US\$ = Rs 46.15, bank selling rate)
- Basis of capacity (e.g. 1600 cc motor engine size, 12MW generator size, where the specifications call for a range of capacity and sizes)
- Equipment installation and commissioning cost
- Training cost
- License cost (e.g. for computer software for so many users)
- Maintenance costs (e.g. maintenance period defining the number of years of maintenance after warranty for IT, medical equipment and any specialized equipment)
- Any special items to allow for (e.g radiation protection screening against X-ray, tools and other accessories)
- Preliminary and General cost
- Contingency amount
- Any options (e.g. spares, extended guarantee and other optional items or services)
- Any other project related cost (e.g. syndic charges and parking fees in case of renting of buildings)
- Provisional sums
- Detailed Bill of Quantities
- Details of breakdown of cost for lump sum contract
- Details of estimated cost lotwise/zonewise
- All elements of costs as required in the bidding documents including Bonus/Protective equipment/uniform/yearly compensation/transport.

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