

CPB NEWS



Central Procurement Board Newsletter

Issue 06 - September 2019



Dear Reader

This is the third quarterly newsletter of 2019 and I hope that you will find it very interesting,

I recall that under the Public Procurement Act of 2006, subsequently amended, its mission is defined as follows: *There is established a Central Procurement Board, to be responsible for the approval of award of major contracts by public bodies..... In the exercise of its functions, the Board shall act without fear or favour and shall not be subject to the direction or control of any other person or authority.*

The Board is fully committed to this mission and has set itself very ambitious targets by ensuring that each and every contract that is recommended for award fully complies with the objectives of the law and beyond by ensuring that every rupee spent represents **value for money** for the Republic of Mauritius.

Challenges: To carry out vetting and evaluation exercises within an acceptable minimum time without compromising the high standard to which CPB subscribes.

Learning from experience whereby in the past there had to be numerous exchanges between the CPB and the Public Bodies, current practice is to invite the Public Bodies to attend the vetting exercise at CPB so that the amendments are done practically immediately.

Project covering new fields including emerging technologies as well as new formats of financing of projects such as under the regimes of Private Public Partnership (PPP) or Build Operate and Transfer (BOT) are presenting challenges for the CPB. These require new competences for vetting and evaluation purposes and the Board is attending to these as a matter of urgency.

Furthermore, the Board is also continuously challenging itself and striving to improve the way it does discharge its responsibilities. It is taking steps to seek the assistance of external and independent experts to carry out a review of the existing process with a view to compare and eventually benchmark its processes with the very best in the world.

CPB's ultimate objective remains to be the best institution commanding the highest level of trust, confidence and to operate in absolutely total independence, and be synonymous of highest level of ethics ensuring that each and every bid that is processed and contract awarded stands the strictest scrutiny.

Please visit our website at www.cpb.govmu.org for more information on CPB.

Happy reading. Drop us a line, if you have any comments, please

Chairperson, CPB
Raj H Prayag PDSM
September 2019

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Project Cost Estimation

Public Bodies are required to submit **estimates of cost** of their projects at the time of submission of their draft Bidding Documents and, if necessary, to update these estimates prior to opening of bids. The estimates, excluding VAT component, qualifies a project as minor or major in respect of the thresholds in the Schedules in the Act. Major projects are dealt with by the CPB.

The CPB has noted that, in many cases, the estimation process is not given adequate attention; resulting in many cases of **very high bids** which are rejected and the Public Bodies having to launch fresh bids, leading inevitably to delays in project implementation. This has been noted in both bids for Infrastructure Projects (Roads, Building projects.....) as well as for procurement of services (Cleaning of toilets, Security services.....).

As far as Infrastructure Projects are concerned, bidding documents which provide a detailed Bill of Quantities (BOQ) have shown that:

- Cost estimates are more **accurate**.
- Contractors are on a **level playing field**.
- **Negotiations**, in cases of lowest evaluated bids being above 15% of estimates, can be undertaken in a more scientific way by comparing specific rates.
- During evaluation of bids, it is easier to detect any **front-loading** by the bidder.
- **Variations** are dealt-with in a transparent and fair manner.
- **Project management** is smoother and certification of claims are transparent.

The CPB has flagged the need for BOQ during many workshops with stakeholders and is actively working in collaboration with the Procurement Policy Office (PPO) to make BOQ's a must for future major projects. This approach will require a **change in the mindset** of public bodies and consultants.

Scarcity Areas

In its endeavour to expedite matters in projects in scarcity areas, the Central Procurement Board (CPB) has, pursuant to Section 12(d) of the Public Procurement Act 2006, as subsequently amended, launched an Expression Of Interest (EOI) to hire the services of Consultants/Consultancy Firms to assist the Board in the execution of its functions. The assignment shall, inter-alia, cover assistance in vetting of bidding documents, conducting due diligence on bid evaluation and other tasks relevant to the determination of the award of major contracts by the Board.

Bidders with proven experience in assisting public procurement authorities had been invited to submit their credentials.

A non-exhaustive list of fields where expertise is desired is: *dam design and building; roads, bridges, highways and tunnels; power plants and power storage; renewable and clean energy; water and wastewater treatment facilities; waste management; public-private-partnership projects planning and management; environmental science; telecommunications covering satellite bandwidth and undersea cabling; Disruptive Technologies (AI, IOT, Blockchain); Financial Expert & Value for Money Specialist; Transaction Advisers (for PPP and BOT); Technical Auditing (for Building Construction and Civil Engineering Works projects).*

A Request For Proposal (RFP) document is presently being finalised to enter into a framework agreement with CPB for the provision of multi-disciplinary consulting services pertaining to analysis and vetting of bidding documents and performing due diligence on bid evaluation reports for major projects.

Public Private Partnership projects - Do they have a future in Mauritius?

When traditional sources of funding are under strain, Public and Private Partnership (PPP) can be a solution. Though PPPs are not ready substitutes for either government funding or private sector investing they can play a crucial role in this era of our development.

However to ensure PPP implementation and success, there is a need for an urgent rethink of our current models of funding and investing. Furthermore if there is imperfect coordination between the main actors: private and public and a misunderstanding of the objectives and desired outcomes on both sides, then PPP will never grow.

Civil society is also a critical component and is the glue that can bind both actors. In our country the private sector plays an important role in many sectors of our economy and is a catalyst in the development of the textile, banking, hotel industries, real estate, to name but a few. The Public sector, on the other side funds major infrastructural projects in the road, energy and water sectors either from loans or grants from donor agencies or from the capital budget. In a country where both the private and public sectors are keen on development, one would say that PPP is on very fertile soil and can but flourish and bloom.

So what is the problem?

The Private Partnership Act was passed as far back as 2004 followed by a BOT Act in 2006. Some observers claim that PPP suffer from a lack of visibility. Basic matters such as what is a PPP or for that matter a BOT, by what means, a PPP may be brought about, the roles and responsibilities of the two main actors, the institutional set up, the legal framework, who are the people behind, to make it happen, have not been clearly articulated nor are they understood.

Much has to be done for the promotion of PPPs. The planning and management of PPPs cannot be left in the hands of some officers who without proper collaboration and coordination of efforts from both main actors will inevitably face an uphill struggle.

PPP planning and implementation require a clear policy stance, a much more comprehensive legal framework, an awareness promotion campaign, multi skilled and trained resources, technical foreign assistance, a willingness to succeed, media participation and a coherent strategy and action plan.

Resources have to be allocated to this important instrument which is essential in this modern era of our development. Not only can PPPs address financial constraints on public spending but harmonize and synergize private and public sector investing and funding for the country's development.

E - Procurement Readiness

According to Directive No 36 of 2018 issued by the Procurement Policy Office, public bodies would carry out public procurement electronically on the Government e-Procurement System (e-PS) by the end of July 2019. The Central Procurement Board (CPB) has already embraced the challenge. In fact the Board Members and the technical staff of the CPB have been trained on the different processes involved on the e-PS. Draft bidding documents submitted to the CPB for vetting, by public bodies through the e-PS are processed accordingly. Presently there are three projects on e-PS at vetting stage and one at advertising stage.



In line with Government's objective for innovative, transparent and efficient digital services, the CPB is gradually changing its way of doing business. The technical staff is well motivated and is progressively learning and acquiring new skills. With more and more projects coming through the e-PS, abilities of the staff would definitely be further developed. The CPB is looking forward to have more projects being submitted to this office through the e-PS.

It all starts with embracing the challenge.

Working Session with Evaluators - 23 July 2019

The CPB organized a Working Session with Evaluators on Tuesday 23 July 2019 at the CPB, with a view to improving evaluation exercises for major projects.

A presentation was made with particular attention to the Evaluation Guidelines, to which all evaluators have to adhere.

The Board also expressed its concern on the increasing number of non responsive bids being received for major projects.

Through cases studies and interactions, the Board was able to engage with twenty participants selected from a list of regular Team Leaders of BECs who shared their experiences in the evaluation exercises they carried out.

It was found, *inter-alia*, that some clauses in SBDs lead to misinterpretation on the part of evaluators and confusion for bidders.



Vision

To be the model for efficient and effective public procurement in Mauritius

Mission

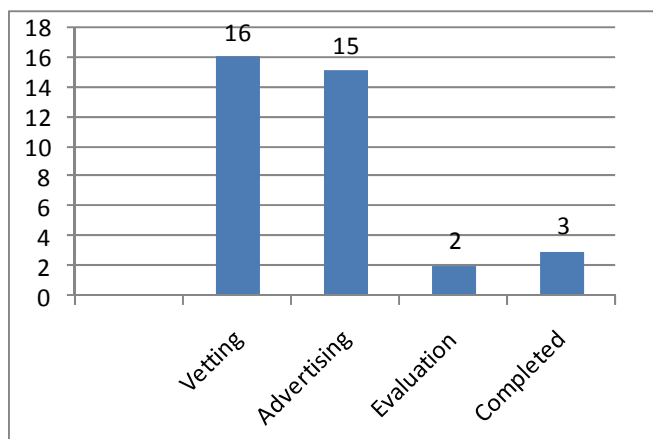
To ensure value for money in public procurement and timely acquisition through a fair and transparent process

Core Values

Transparency - Integrity -
Ethical Practice - Equality/
Fairness - Accountability

PROJECT STATUS

As at 30 September 2019, the CPB was handling 33 procurement projects falling under the category of major contracts. Out of those, 16 projects were at vetting stage, 15 at bidding stage and 2 at evaluation stage (graph below).



Contact Us

Give us a call for more information and visit our website for additional information.

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