

CPB NEWS



Central Procurement Board Newsletter

Issue 08 - June 2020

Dear Reader

This is our first newsletter of the year, as at end of March 2020, unfortunately, Mauritius was under lock down because of COVID 19.

Three months later, fortunately, COVID-19 is practically behind us and we are slowly but surely returning to full service, albeit, under a New Normal.

Business is back in full swing at the CPB and all our wonderful and dedicated staff are doing their best and working very hard to catch up with vetting, evaluation exercises that had been delayed due to the lock down.

All the projects that had been floated and whose closing dates had lapsed during the nearly three months of close down have been kept live by re-scheduling new closing dates for receiving bids. Efforts are made for evaluation of bids to be carried out by evaluators who are available full time with the aim of reducing evaluation time to a targeted minimum time of 10 working days.

CPB is in tune with the Government's objective and target to improve Mauritius' ranking with regard to ease of doing business, and is playing its modest role by carrying out the procurement process in the least possible time. CPB is constantly exchanging with the Public bodies with the aim of receiving good quality bid documents so clearance can be given rapidly.

The Board is fully committed to enhance its image, credibility and performance to a higher level of excellence by constantly challenging itself to do better. Presently, the European Union is funding the services of an international expert who is reviewing the procurement process from start to finish. Again Covid-19 has caused delay in the implementation of this consultancy. However, despite, border closure, we are planning to organize the validation workshop via on-line conferencing platform.

Under this consultancy, there will also be a training workshop to better drive the procurement process with each partner playing fully and responsibly his role leading to a smooth process from start to end.

Our in-house teams are back on track with our project for the implementation of National Management Systems Scheme under the MS ISO 9001:2015.

Furthermore, another novel initiative of the CPB is to develop a policy and instruments to ensure the highest level of Institutional Integrity.

In this issue you will also read about emergency procurement provisions, when and how they come into play; the concept of lifecycle costing in relation to equipment purchased, and the relevance of Directives and Circulars issued by the Procurement Policy Office.

Good reading.

Chairperson, CPB
Raj H Prayag PDSM PEng FIEM RPEM
JUNE 2020



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COVID-19

With the outbreak of the Corona virus (COVID- 19) in the world and the number of cases which started to rise in Mauritius, decision to put Mauritius on a nationwide lockdown was taken at a cabinet meeting held on 19 March 2020 in order to limit the spread of the virus.

The population was urged by the Prime Minister to stay at home. Physical contact was prohibited and social distancing was to be maintained. Business was no more as usual. In fact, economic activities decreased.

Only employees forming part of the essential services like health, police force, fire services and those working in banks, supermarkets, bakeries and pharmacies could go to work.

During lockdown, the Board and the staff were connected with each other through the Internet. Exchange of information was made possible through the use of online communication applications.

A small group of key senior officers attended the office on 13 April 2020 for a meeting with the Board in order to take stock of the prevailing situation and tackle pending tasks. Amongst others, two communiqués were issued to inform prospective bidders and public bodies that closing dates for submission of bids during the lockdown have been postponed and that new closing dates would be communicated as soon as the lockdown would be over.

Accessibility to mail box from home also facilitated officers' tasks in monitoring incoming mails and taking prompt actions. For example, exchange of mails between the Central Procurement Board (CPB) and public bodies has enabled online vetting of draft bidding documents of some major projects.

Work Access Permits were readily available for the Board and staff to resume duty as from 5 May 2020 for the provision of minimum services. Officers resumed duty on a roster basis according to Circular letter No 31 of 2020 issued by the Ministry of Public Service, Administrative and Institutional reforms.

The collaboration and dedication of each and every one working at CPB are greatly appreciated and recognized in this unprecedented experience.

Covid -19 is an invisible enemy that one never knows when it would be finally defeated. When it looks like things are calm, it starts to return.

Covid- 19 is a global threat and global cooperation is needed. Researchers are working hard and countries are competing in the race for the development of a corona virus vaccine. Human trials to test experimental vaccine for Covid- 19 developed by the University of Oxford have begun in some countries.

Although there is no approved treatment or vaccine up to now, we hope that researchers soon succeed in the development of such a vaccine.

A Recap of Post-COVID 19 Communication From the PPO

A. Circulars

Circular No. 2 of 2020 (08 April 2020) deals with situations where, *very often during a bidding period, some public bodies issue amendments to bidding documents and subsequently extend the deadline for submission of bids.*

PPO requests *public bodies to set up effective quality control in the preparation of bidding documents to ensure that prior to launching of bids, bidding documents are free from errors and omissions, thereby avoiding any extension of deadline for the submission of bids.*

CPB is presently processing a project started more than a year ago. Various postponements of closing dates have been carried out owing to issue of clarifications and addenda, the latest was for a change in site. The evaluation exercise is still ongoing.

Circular No. 3 of 2020 (17 April 2020) dealt with procedures to be followed immediately after lockdown decreed by the Government is waived. Three instances were described and appropriate remedial actions were put in place:

- (i) *For bids having the submission date before the lockdown period and with opening date falling within the lockdown period.* Opening of bids were rescheduled.
- (ii) *For bids having submission date during the lockdown period.* The deadline for submission were re-scheduled.
- (iii) For bids that were still being evaluated or where no award decision had been taken, bidders were requested to extend the bid validity and where applicable bidders were requested to extend the validity of their bid security.

Circular No. 4 of 2020 (11 May 2020) placed on record the completion date of 13 March 2020 of the term of office of the Director, Mr Mohit Dhoorundhur and the designation of Mr Bhagwansing Dabeensing as the Officer-in-Charge of the Procurement Policy Office.

Circular No 5 of 2020 (23 June 2020) deals with claims for extension of time on ongoing contracts resulting from the lockdown. PPO notes that *both the General Conditions of Contract and the FIDIC Contract do not have express provisions to deal with the above situations.*

Public bodies may consider situations of Pandemic and lockdown as cause of delay for the granting of Extension of Time, on a case to case basis.

B. Directives

Directive No. 44 (19 March 2020) deals with Emergency Procurement to combat COVID-19. Procedures to undertake emergency procurement are set out and Accounting Officers were asked to keep proper records with respect to the decision to resort to emergency procurement.

Directive No. 45 (08 April 2020) deals with bid period for simple bids. Regulation 26(2) of the Public Procurement Regulations 2008 stipulates that for Open Advertised Bidding method, the dead line for submission of bids shall not be less than 30 days from date of issuance of the invitation of bid.

For projects not exceeding Rs 100 million, public bodies are to ensure that the deadline for bid submission shall not exceed 30 days.

Directive No. 46 (08 April 2020) deals with abnormally low bids at evaluation stage. This directive sets as abnormally low bid where a bid submitted is lower than the updated estimated cost by 15% or more.

C. Correspondence/ Meeting

Performance Security. Previous framework Agreements provided for performance security in the form of retention money to meet specific requirements and circumstances. In a letter dated 25 June 2020, PPO confirms that *"In the present circumstances and legislative framework governing public procurement, performance security in the form of Bank/Insurance Guarantee is required for all projects above Rs 5m."*

Customised Documents. At a meeting of PPO/CPB held on 17 June 2020, PPO reiterated that it does not customise bid documents for public bodies and that the vetting of bid documents for major projects falls under the ambit of the CPB as provided for in the PPA under Section 11(1)(b).

Emergency Procurement

There has always been confusion in the minds of Procurement Practitioners and the business community about Emergency Procurement method and Certification of Urgency. Public Body may resort to Emergency Procurement method in the instances as described under Section 21 of the Public Procurement Act 2006 which states as follows:

Emergency procurement

- (1) A public body may purchase goods, other services or works from a single supplier without competition in cases of extreme urgency.
- (2) The scope of the emergency procurement shall as far as possible be limited to the period of the emergency, so that appropriate competitive procurement methods may be utilized at the conclusion of the emergency period.
- (3) For the purposes of this section, “extreme urgency” includes a situation wherein –
 - (a) the country is either seriously threatened by or actually confronted with a disaster, catastrophe, war or Act of God;
 - (b) life or the quality of life or environment may be seriously compromised;
 - (c) the condition of quality of goods, equipment, building or publicly owned capital goods may seriously deteriorate unless action is urgently and necessarily taken to maintain them in their actual value or usefulness; or
 - (d) a capital project may be seriously delayed for want of an item of a minor value.

On the other hand if an unsatisfied bidder has filed an Application for Review to the Independent Review Panel, the panel will order the suspension of the procurement proceedings until the appeal is determined by the Review Panel.

Section 45 of the Public Procurement Act 2006 provides as follows:

- (4) Subject to subsection (5) or (8), where an application for review is made in accordance with this section, the Review Panel shall, on being satisfied *ex-facie* the application that there is a *prima facie* case for review, order the suspension of the procurement proceedings until the appeal is determined by the Review Panel.
- (5) The suspension provided by subsection (4) shall not apply where the public body certifies that urgent public interest considerations require the procurement proceedings to proceed.
- (6) A certificate issued by a public body pursuant to subsection (5) shall expressly state the grounds of the urgent public interest considerations and shall be made a part of the record of the public procurement proceedings.
- (7) A certificate issued by a public body pursuant to subsection (5) shall be binding on the Review Panel and the procurement proceedings shall proceed.

Public Procurement - The Total Cost of Ownership (TCO) Concept

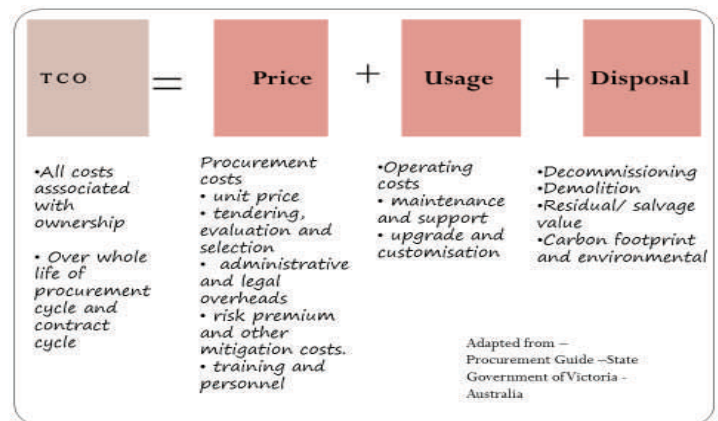
In July 2016 the World Bank published its new framework on Public Procurement where it laid much emphasis on the concept of value for money (vfm).

Another concept, the Total Cost of Ownership (TCO) is intricately connected to vfm as is implied in this definition from the World Bank:

“The principle of value for money means the effective, efficient, and economic use of resources, which requires an evaluation of relevant costs and benefits, along with an assessment of risks, and non-price attributes and/or life cycle costs, as appropriate. Price alone may not necessarily represent value for money”

World Bank – Policy Paper

Total cost of ownership (TCO) implies a ‘whole of lifecycle’ analysis. It highlights the difference between purchase price and long-term cost. It estimates the total cost from acquisition to disposal of procured goods or services by including accumulated costs of acquiring, operating, maintenance and disposal or decommissioning of procured goods or services, including revenue from disposal.



Total Cost of Ownership

The TCO concept first came into the forefront somewhere in the eighties when companies began to apply it to their Capital Asset acquisition process, more specifically in their decision tree for identifying best options.

In its application TCO analysis provides an opportunity to compare prices of different competitive options through their components of price quantified and tabulated over their expected lifespan.

The net present value of the different options is then calculated using an appropriate discount factor. By placing a single value on the whole life cycle, TCO makes comparison and the decision process easier.

In this way any skewed distribution of costs with reference to outlay of fund during the life-cycle is smoothed and brought to a level playing field.

Staff Lunch

On 26 June 2020, the Board held its first monthly staff meeting post-lockdown. The meeting was followed by a lunch aimed at enhancing team spirit and bonding among the CPB staff.



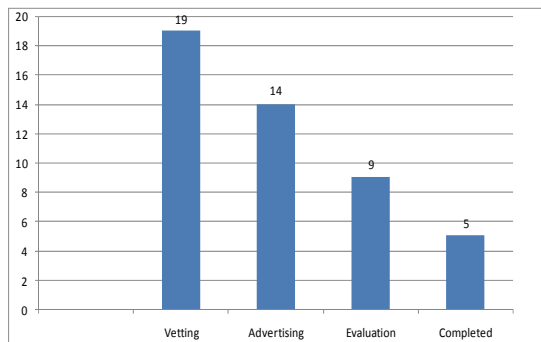
Financial Year Statistics Snapshot

| | |
|---|-------------------------|
| No. of Projects Received | 77 |
| No. of Bidding Documents vetted (completed) | 61 |
| No. of Public Openings | 58 (4 on e-procurement) |
| No. of Projects Evaluated (Completed) | 38 |
| No. of Approvals of Award | 43 |

The lockdown has caused delays in the completion of vetting and evaluation of certain projects. Public openings scheduled during the lockdown period were also postponed.

PROJECT STATUS

As at 30 June 2020, the CPB was handling 42 procurement projects falling under the category of major contracts. Out of those, 19 projects were at vetting stage, 14 at advertising stage and 9 at evaluation stage (graph below).



A dashboard is published on a weekly basis giving our stakeholders and the public at large a representation of where each public procurement project, in respect of major contracts, lies.

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

Contact Us

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

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