

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT
Circular No. 2 of 2017

My Ref: CF/CAPB/EXP/SKIL
From: Financial Secretary
To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

Expert Skills Scheme

The purpose of this Circular is to inform you of the coming into operation of the Expert Skills Scheme announced in the Annex to the Budget Speech and to set out the procedures put in place for its administration. The Scheme aims at facilitating Ministries/Departments and public bodies in having the services of Experts for the timely design, implementation and operationalisation of public sector policies, projects and schemes.

2. The priority areas where the services of experts may be procured include the following: Infrastructure Development, Strategic Planning and Macro-Fiscal Management, Digital Economy, Green Economy, Ocean Economy, Marshall Plan against Poverty and Social Safety Nets, Project Appraisal and Management, Institutional Reforms (including restructuring and mergers) and National Heritage. The services of Chief Information Officers and Project Managers may also be enlisted under this Scheme.

3. The management of the Scheme will be under the responsibility of this Ministry and funds will be made available under Vote 28-1, 'Centrally Managed Initiatives of Government'.

4. Your attention is drawn to the fact that the Scheme is not a recruitment exercise but is a public procurement exercise similar to that for consulting services under the Public Procurement Act (PPA). The guidelines for the Expert Skills Scheme setting out the policies, procedures for selection, contracting and monitoring of the experts are at **Appendix**. Those guidelines also include the Standard Request for Proposal (RFP) documents (vetted by the State Law Office) with the following annexures:

- (i) Annexure 1: Format for Terms of Reference;
- (ii) Annexure 2: Supplementary Information for Experts (Service Provider); and
- (iii) Annexure 3: Specimen of Service Contract.

Those guidelines and Standard RFP documents are also available on the website of the Procurement Policy Office and this Ministry.

5. The key features of this Scheme are as follows:

- (i) the experts should preferably be persons in their individual capacity with proven expertise and documented hands-on experience in relevant fields. However, the experts may also include consulting firms.
- (ii) the procurement should normally be carried out through open advertised bidding or selection from a well-documented short-list;
- (iii) recourse to direct procurement will be allowable only in special circumstances such as extreme urgency, projects under Government to Government or where

the expertise is in limited supply. These are specified at Para 6.1 (C) of the guidelines;

- (iv) the procurement exercise should be carried out by the Ministry/Department or public body itself;
- (v) there should be a provision for transfer of knowledge from the experts to public sector staff;
- (vi) a Monitoring Committee should be constituted to oversee that the assignment is carried out as per contractual conditions and assess the quality of the deliverables; and
- (vii) the contract of service will be for the duration of the assignment and may be terminated in case of poor performance.

6. The financial clearance process in respect of requests under the Scheme will be in two stages:

- (a) **Stage 1: Prior to the launching of the procurement process** - no objection for earmarking of funds;
- (b) **Stage 2: Prior to award of contract** - financial clearance for the enlistment of the selected expert.

7. Accordingly, the procurement process will involve a number of steps in the following sequence:

- (i) identification of the skills required by the Ministry/Department or public body;
- (ii) preparation of Terms of Reference (TOR), specifically in relation to the policy, project or scheme being designed, implemented or operationalized together with the justifications, indicative cost and preferred procurement method;
- (iii) submission of the above to MOFED for no financial objection prior to launching procurement;
- (iv) launching by the Ministry/Department or public body of procurement process;
- (v) assessment of bids by Evaluation Committee;
- (vi) submission of report of the Evaluation Committee and estimated cost to MOFED for financial clearance;
- (vii) award and signing of contract by the Ministry/Department or public body; and
- (viii) setting up of a Monitoring Committee.

Public Bodies

8. Public bodies partly or fully funded by grant from Government should submit their requests, through their parent Ministries, to this Ministry for financial clearance while those not dependent on Government should submit their requests only in cases where direct procurement is being resorted to.

9. Requests under this Scheme should be addressed to the Public Financial Management and Budgeting Directorate of this Ministry, attention to Mr. J. Ramyed, Lead Analyst (email: jramyed@govmu.org, Tel: 201 3728) with copy to the responsible Officer of the relevant Sector Ministry Support Team (SMST) as indicated in Circular No. 8 of 2016 on Execution and Monitoring of the 2016/17 Budget.

10. You are reminded that requests for funds under the Scheme may not be entertained if the enclosed guidelines are not complied with.

11. Supervising Officers are kindly requested to convey the contents of this Circular to all Departments and Public Bodies falling under their responsibility.



D. D. Manraj, GOSK
Financial Secretary
26 January 2017

Copy to:

- (i) Secretary to Cabinet and Head of the Civil Service
- (ii) Director of Audit
- (iii) Accountant-General
- (iv) Directors, Economic and Finance, MOFED
- (v) Director, Financial Operations

GUIDELINES FOR THE EXPERT SKILLS SCHEME

1. Introduction

- 1.1 In line with the Annex to the Budget Speech 2016/17, an **Expert Skills Scheme** is being set up to enable enlistment of the services of experts and specialised professionals by Ministries/Departments and public bodies for the timely design, implementation and operationalization of public sector policies, projects and schemes.
- 1.2 The purpose of these Guidelines is to set out the policies and procedures for selection, contracting and monitoring of Service Providers financed through this Scheme.

2. Objective of the Scheme

- 2.1 The objective of the scheme is to complement the human resource capabilities of Ministries/Departments and public bodies through the enlistment of the services of experts and specialised professionals with proven hands on experience in priority areas such as Infrastructure Development, Strategic Planning and Macro-Fiscal Management, Digital Economy, Green Economy, Ocean Economy, Marshall Plan Against Poverty and Social Safety Nets, Institutional Reforms, Project Appraisal and Management and National Heritage. Chief Information Officers and Project Managers may also be enlisted under the Scheme.

3. Guiding principles

- 3.1 The following are the guiding principles for the enlistment of Service Providers under the Scheme:-
- a. the need to have the services of professionals/experts for providing specific services in priority areas as mentioned above ;
 - b. the need to have the services of professionals/experts for the timely design, implementation and operationalization of public sector policies, projects and schemes; and
 - c. the need to reinforce human resource capacity due to absence of required scarce expertise in-house.

4. Service Providers

- 4.1 For the purpose of this Scheme, the term Service Provider relates to individuals, who are professionals/experts with proven expertise and experience in relevant fields. Enlistments under this scheme shall follow the procurement process similar to that of consulting services under the aegis of the Public Procurement Act (PPA).

5. Applicability of the Scheme

- 5.1 The services retained under this scheme will be mainly for the design and timely implementation of government projects, policies and schemes.

5.2 Projects funded partially or in whole by loan/grant from International organizations or trust funds would be governed by the rules that prevail in the respective loan/grant agreements to the extent this is a mandatory requirement and where the provisions in the Public procurement Act conflicts with those rules.

6. Procurement Methods

6.1 The following three methods of procurement would be applicable under this scheme:

- (i) selection from open advertised bidding;
- (ii) selection from a shortlist of Service Providers; and
- (iii) direct procurement.

A. Route one: Selection through open advertised bidding

Ministry/Department shall invite from potential bidders through open national advertised bids in local newspapers and Public Procurement Portal.

For contracts above Rs 10 million, open international bidding procedures, as set out at Regulation 5 (2) of the Public Procurement Regulations, should be followed.

B. Route two: Selection from a shortlist

For selection of Service Providers under Route two, the following two-staged procedure shall be followed:

(i) *First stage: Establish a shortlist*

For contract not exceeding Rs 10 million

(a) the Ministry/Department shall identify potential Service Providers on the basis of own knowledge from official sources or formal enquiries and establish a shortlist. This process must be well documented either through due diligence exercise carried by the Ministry/Department or any report received from other organizations. Moreover, Ministry/Department may also contact development partners such as International Monetary Fund, World Bank, African Development Bank, United Nation Development Program, etc to identify suitable candidates.

(b) the Ministry/Department may also proceed through Expression of Interest (EOI) and on the basis of responses received, draw a shortlist of potential Service Providers.

For contract exceeding Rs 10 million

(c) Shortlisting shall be through Expression of interest at international level.

Service Providers should be shortlisted based on their qualifications for the assignment and past experience of handing similar types of projects.

(ii) *Second stage: Launch Request for Proposals*

The short-listed Service Providers will be invited to submit (Request for Proposals or RFP) their Technical and Financial Proposals as per pre-defined format (Annexure 2 – Form F 4).

C. Route Three: Enlistment through Direct Procurement

Enlistment of Service Providers by direct negotiations is permitted under the following cases:

- (i) for tasks that represent a continuation of previous work carried out for the Ministry/Department;
- (ii) situation where the requisite expertise is in limited supply and satisfies the condition as per Section 25(2)(e) of the PPA;
- (iii) in respect of projects funded by foreign states (Government to Government Agreement);
- (iv) in respect of projects approved by the High Powered Committee pursuant to Section 3(1) (b), 3 (1)(c) of the Public Procurement Act; and
- (v) in case of extreme urgency situation arising after natural disasters where timely completion of the assignment is of utmost importance.

6.2 The Standard Request for Proposal document including annexures for Terms of reference format, Supplementary Information for Service Providers and Service Contract are available on the Website of the Procurement Policy Office and the Ministry of Finance and Economic Development.

7. Selection Criteria

7.1 Selection of individual Service Providers will be done through one of the following different selection methods, namely:

- (i) **Combined Quality and Cost based selection (QCBS)** for enlistment of individual Service Provider for a particular expertise.

Proposals will be ranked according to their combined technical and financial scores. The technical proposals will be allotted weightage of 70% while the financial proposals will be allotted weightages of 30%. Proposal with the lowest cost may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices.

The total score, both technical and financial, shall be obtained by weighing the quality and cost scores and adding them up. The Service Provider achieving the highest combined technical and financial score shall be invited for pre-contract discussions.

- (ii) **Quality and Fixed budget based selection (FBS)** where more than one Service Provider will be enlisted for same expertise i.e. for Chief Information Officer.

The Service Provider that has submitted the highest ranked Technical Proposal within the budget will be selected. Proposals that exceed the indicated budget will be rejected

8. Transfer of Knowledge

- 8.1 An important component under the Expert Skills Scheme, is the transfer of knowledge by the experts to Government officials. This should be part of the Terms of Reference (TOR) and should, therefore, indicate the details about the training and capacity building programme, the skills to be transferred and the time frame. The costs for training and capacity building shall be included in the Service Provider's contract and in the budget for the assignment.

9. Evaluation Committee (EC)

- 9.1 An EC comprising of at least three members shall be constituted by the Supervising Officer to select the Service Provider. The selection process will be two-staged, considering firstly technical proposals and then financial proposals. The EC will allocate marks to select the most suitable candidate for the assignment.

10. The Contract Agreement

- 10.1 Each Service Provider will have to sign a contract agreement with the institution to which his/her services have been enlisted.
- 10.2 The contract agreement will be for the duration of the assignment. However, provisions for termination of contract should be made in case of poor performance. The contract may be renewed if required, for continuity of services for completion of project, succession planning and knowledge transfer.

11. Monitoring Committee (MC)

- 11.1 Service Providers will be required to submit a comprehensive work plan with measurable deliverables and to report to the Supervising Officer of the Ministry/Department on a monthly basis on achievements and as well as constraints.
- 11.2 The Supervising Officer shall constitute a MC comprising at least three members at appropriate level, after the selection procedure is over for monitoring the progress of the assignment. The MC shall be responsible to oversee that the assignment is carried out as per agreed TOR and contractual conditions and to assess the quality of the deliverables.

12. Application for Funds

12.1 Ministries/Departments wishing to procure Services under the Expert Skills Scheme would have to:

- first determine their needs in terms of services required with focus on design and implementation of major priority projects
- prepare the Terms of Reference (TOR) comprising profile of the Service Provider and scope of work/assignments/deliverables/time frames, including transfer of knowledge
- ensure that TORs are Specific, Measurable, Accurate, Reliable, Timely (SMART) and reflect the requirements of the Ministry/Department and are not similar to a scheme of service for any grade
- submit their request for funds under the Expert Skills Scheme, enclosing the proposed TOR to this Ministry.

13. General Principles

Conflict of Interest

13.1 The Service Provider shall not receive any other remuneration in connection with the assignment except as provided in the contract. It should be the requirement of the service contract that the Service Providers should provide professional, objective and impartial advice and at all times hold the Ministry's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests.

14. Process Flow Chart

14.1 The process flow chart for enlistment of Service Providers under the Expert Skills Scheme is as follows:

