

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 2 of 2014

Our Ref: CF/40/30/63/A V4

30 January 2014

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

FINANCIAL MANAGEMENT KIT (FM KIT)

Financial Instructions No 1 of 2014

Departmental Bid Committee

The purpose of this circular is to inform you of the newly developed procedures in respect of the functionings of a Departmental Bid Committee (DBC) in Ministries/Departments which are in line with the modernization of procurement rules and procedures.

2. The Financial Management Review Committee (FMRC) has examined the comments received from Ministries/Departments and has amended, where necessary, the Financial Instructions – Departmental Bid Committee. It is to be noted that the new procedures which aim at primarily improving the procurement process also provides for Accounting Officers to personally approve bids on the recommendations of a DBC. These instructions have been finalized after consultations with the Director of Audit and necessary clearance has also been sought from the State Law Office. These instructions supersede all prior instructions issued in relation to the operations of the Departmental Tender Committee and they will eventually be included in the Financial Management Kit Volume V – Procurement and Supply Procedures.

3. You may also wish to note that DBC is one of the structures in procurement management and in due course, the FMRC will issue financial instructions to cover other aspects of procurement management.

4. You are requested to ensure compliance with the enclosed Financial Instructions – Departmental Bid Committee.



**P. Yip Wang Wing
Ag. Financial Secretary**

Financial Instructions No 3 of 2014

Payment by Debit/Credit Card

1. The rules and procedures set out below regulate the use of debit cards by Imprest Holders of Ministries/Departments and credit cards by Accounting Officers and Overseas Missions.
2. **Imprest Holders**
An Accounting Officer may authorize the issue of a debit card in the name of an Imprest holder operating a bank account. Such debit card can only be used for effecting payments allowed under the relevant Imprest Warrant.
3. **Accounting Officers**
Subject to paragraph 4 below, a credit card may, with the approval of the Financial Secretary, be issued in the name of an Accounting Officer or any senior officer designated by the Accounting Officer. The approval of the Financial Secretary should also be sought in respect of the credit card limit.
4. **Overseas Missions**
The Secretary for Foreign Affairs may authorize the issue of a credit card in the name of the Head of Mission or any other public officer designated by the latter.
The credit card limit should be determined by the Secretary for Foreign Affairs.
5. The credit card should be used for the purchase of goods or payment for services where the use of cash or cheques is considered to be inconvenient, impractical or uneconomical.
6. **No interest should be allowed to accrue** under a credit card facility. Necessary instructions should accordingly be given to the relevant issuing bank for automatic settlement by direct debit to the relevant bank account.
7. Proper records, such as cash withdrawal receipts and payment slips, should be maintained in respect of each transaction effected by means of debit/credit card. Under no circumstances should an official debit/credit card be used for personal transactions or for making expenses not related to the activities of relevant Departments or mission for which the card was issued.
8. The general procedures regulating payments should be complied with. In particular appropriate entries should be made in the cash book in respect of card transactions and regular bank reconciliations should be carried out, indicating where relevant, outstanding credit card payments.

MOFED
01.10.2014

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
- (vi) Director, Procurement & Supply
- (vii) Director, Internal Control
- (viii) Officers-in-Charge of Financial Operations Unit, Procurement & Supply Unit and Internal Control Unit in Ministries/Departments
- (ix) Group Managers, MOFED
- (x) Cluster Leaders and Team members, MOFED

Financial Instructions - Departmental Bid Committee

1. There shall be a Departmental Bid Committee (DBC) in each Department for the conduct of the bidding process in respect of procurement of goods, works, consultancy and other services. Where operational needs so warrant, an Accounting Officer may set up more than one DBC. The Accounting Officer should also set up the Bid Evaluation Committee (BEC) where necessary.
2. The Departmental Bid Committee shall consist of-
 - (a) a chairperson who shall be the Accounting Officer or any other officer, not below the grade equivalent to that of a Deputy Permanent Secretary (DPS), designated by the Accounting Officer;
 - (b) the Officer-in-Charge of Procurement and Supply at the Department, as Member; and
 - (c) the Officer-in-Charge of Financial Operations at the Department, as Member.
3. An officer, other than an officer of the Procurement and Supply Cadre or Financial Operations Cadre, not below the grade of Office Management Assistant, shall act as secretary to the DBC.
4. The chairperson and the two members shall constitute a quorum.
5. No member of the DBC should be a member of the BEC.
6. The Accounting Officer may appoint up to two additional members (not being members of the Bid Evaluation Committee) with necessary technical/ financial expertise to the DBC, where the nature of a procurement so warrants.
7. In the absence of the Officer-in-Charge referred to at 2 (b) and (c) above, the senior-most officer Procurement and Supply and Financial Operations respectively shall attend the DBC.
8. Where only one officer of the Procurement and Supply cadre or the Financial Operations cadre is in post in a department, the Accounting Officer may, in the absence of such officer,

Financial Instructions- Departmental Bid Committee

designate as temporary member of the DBC the officer who is assigned the responsibilities to perform Procurement and Supply/Financial Operations duties as the case may be.

9. No person shall act as a member of the DBC where his/her participation would give rise to a conflict of interest. The chairperson must ascertain that no member of the DBC has a potential conflict of interest with any of the bidders by asking the members to disclose any such conflict. Any DBC member who has a potential conflict of interest due to a relationship with the bidder must declare it and immediately withdraw from participating further in any capacity in the DBC meetings.
10. Hereunder is an extract from the "ICAC Code of Conduct for Public Officials involved in Procurement" relating to conflict of interests.

As per s 13 of the POCA 2002, as amended, conflict of interests takes place in the following instances:

- (a) *where a public body in which a public official is a member, director, or employee proposes to deal with a company, partnership or other undertaking in which that public official or a relative or associate or associate of his has a direct or indirect interest: and*
- (b) *where that public official and/or his relative or associate holds more than 10 per cent the total issued share capital or the total equity participation in such company, partnership or other undertaking*
- and in both instances, that public official has failed forthwith to disclose in writing to that public body the nature of such interest; and,*
- (c) *where that public official or a relative or associate of his has a personal interest in a decision a body is to take and that public official has voted or taken part in any proceedings of that public body relating to such decision.*

11. The Accounting Officer shall inform the Procurement Policy Office of the composition of the Departmental Bid Committee.

Responsibilities of Departmental Bid Committee

12. The Departmental Bid Committee shall be responsible, inter-alia, for-
- (a) vetting bidding documents for procurement below prescribed amounts, contract forms, terms and conditions, and addenda to bidding documents and clarification to bidders if any;
 - (b) opening of bids;
 - (c) referring bids to the Bid Evaluation Committee (BEC) for examination and evaluation;
 - (d) attending to request(s) from BEC for any clarifications arising at evaluation stage;
 - (e) requesting for fresh evaluations, where necessary;
 - (f) approving bids on the basis of '*lowest evaluated substantially responsive bids*' (where the DBC is chaired by the Accounting Officer), or recommending bids to the Accounting Officer for his/her approval (where the DBC is chaired by a person other than the Accounting Officer);
 - (g) reviewing and making appropriate recommendations to Accounting Officer on applications received for variations, addenda or amendments to on-going contracts;
 - (h) clearing of bidding documents for projects above the prescribed amount by the DBC, prior to submission to the Central Procurement Board (CPB) for vetting;
 - (i) arranging for debriefing of unsuccessful bidders upon request; and
 - (j) where necessary, consulting the CPB and/or PPO and/or SLO on intricate /contentious matters arising from the evaluation process.
13. In the execution of its duties, the Departmental Bid Committee shall strive to achieve the highest standard of equity, taking into account-
- (a) equality of opportunities to all prospective bidders;

- (b) fairness of treatment to all parties;
- (c) the need to obtain best value for money in terms of price, quality and delivery with regard to set specifications and conditions;
- (d) time frames;
- (e) transparency of process and decisions;
- (f) integrity; and
- (g) confidentiality of information.

Bid Box

14. Departments shall maintain a Bid Box in a safe place, easily accessible to bidders.
15. The bid box should be of such dimensions as to be able to accommodate bid envelopes normally received by the Department. The bid box should be provided with an internal slant to prevent any access to the contents of the bid box through the aperture.
16. The bid box shall be fitted with three locks. The chairperson and the two members of the DBC shall each keep a key of one lock.
17. The lid of the aperture of the bid box shall be fitted with one lock. The secretary of the DBC will keep the key of the lock.
18. The duplicate keys of the four locks should be kept in a sealed envelope and held in the safe custody of the Accounting Officer. The chairperson and members of the DBC should insert their signature on the sealed envelope containing the keys.
19. Bids deposited in the bid box shall be removed at the deadline for submission of bids under the supervision of the chairperson and members of the Departmental Bid Committee.
20. Department should ensure that bids received are handled in all confidentiality. If a bid is delivered by hand, the department shall, on request, provide a receipt showing the date and time the bid was received.

21. Any bid that cannot be deposited in the bid box due to its size should in the first instance be handed over to the officer in charge Registry who shall promptly thereafter hand over the bid envelope to the secretary of the DBC. Such bids should be kept in a secured place by the secretary of the DBC and handed over to the DBC at the bid opening.
22. An appropriate notice should be affixed at the place where the bid box is located for the guidance of bidders regarding depositing of oversized bid envelopes at the Registry. When receiving such envelopes, the officer in charge of the Registry should:
 - (a) record the bid reference number and the date and time of receipt in the incoming mail register;
 - (b) insert the date and time of receipt on the envelope containing the bid, and affix his/her signature thereon; and
 - (c) issue a receipt to the depositor indicating the date and time of receipt.

Opening of Bids

23. Bids shall be opened by the chairperson and the two members of the Departmental Bid Committee.
24. After opening, bids shall be numbered, initialled and dated by the chairperson and members.
25. The numbering sequence for a set of, say, 3 bids received shall be as follows: 1 of 3; 2 of 3; and 3 and last.
26. A preliminary examination should be carried out to ensure completeness of the bidding documents.

Secretariat to DBC

27. The Accounting Officer may set up a secretariat under the responsibility of the secretary to DBC to assist the DBC, where operational needs so warrant.
28. The secretariat should be staffed by officers other than Procurement and Supply

officers/Financial Operations officers and should be provided with necessary logistics for the safe custody of documents and samples.

29. The secretariat shall act as the main support unit to the DBC.

Duties of the Secretary to Departmental Bid Committee

30. The secretary shall be responsible for all secretarial duties of the Departmental Bid Committee.

31. Where the Open Advertised Bidding Method is used, the secretary shall cause a notice for the invitation to bid, or the invitation to pre-qualify to be published in at least one national newspaper with wide circulation and in the case of international bidding, in selected international media with wide circulation, as well as at Diplomatic Missions accredited to the Republic of Mauritius through the Ministry of Foreign Affairs, RI and IT. The Secretary shall make arrangements for uploading of bidding documents and/or other relevant documents on the Public Procurement Portal.

32. The secretary shall:

- (a) on demand, supply prospective bidders with bidding documents and keep records of the name, address and contact number of such bidders;
- (b) inform the members of the Departmental Bid Committee about the date and time of the sittings of the Committee;
- (c) at the closing time specified in the bid notice/documents
 - (i) close the aperture and lock the lid of the Bid Box and keep the key of the lock; and
 - (ii) collect any bid envelope deposited at the Registry not yet handed over to him/her.
- (d) handover to DBC at the bid opening, all oversized bid envelopes kept in his/her custody;

- (e) promptly prepare minutes of proceedings of DBC meetings;
- (f) promptly hand over the opened bids to the Bid Evaluation Committee where applicable;
- (g) where required, affix on the Notice Board all relevant details of bid opening within the prescribed time frame;
- (h) return all unopened bids to the respective bidders;
- (i) arrange to notify, under the signature of the Accounting Officer, the selected as well as unsuccessful bidders of the award of contract according to the prescribed threshold;
- (j) keep confidential and in safe custody, the Register of Bids and all original bids(both approved and rejected);
- (k) keep samples submitted by bidders in safe custody and make them available for evaluation purposes as well as for comparison with goods being supplied;
- (l) return samples to unsuccessful bidders after the standstill period prescribed for any challenge or appeal;
- (m) keep in safe custody and maintain proper records for-
 - (i) Bid Security Declarations;
 - (ii) Bid Securities; and
 - (iii) Performance Securitiesuntil return thereof to the respective bidders or suppliers.
- (n) notify the DBC with copy to the OIC Procurement and Supply where performance securities are nearing expiry;
- (o) keep and preserve documentation relating to bidding process;

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- (p) maintain a database of potential bidders and suppliers;
- (q) maintain a record of defaulting suppliers; and
- (r) maintain a consolidated record of all procurements approved by the DBC on a yearly basis.