MINISTRY OF FINANCIAL SERVICES AND ECONOMIC PLANNING

Office of Public Sector Governance

Independent Audit on the Projects and Activities of the New Social Living Development Ltd



February 2026

The Senior Chief Executive

Ministry of Housing and Lands

In January 2025, the Ministry of Housing and Lands (MHL) requested the Office of Public Sector Governance (OPSG) to conduct an independent audit on the projects and activities of the New Social Living Development Ltd (NSLD) since its setting up in 2019.

The Terms of Reference of the assignment are as follows:

(i) *review the procurement process in the allocation of contracts to contractors for construction and other associated works;*
(ii) *assess project management and management of contract including delays, deviations in cost of the project, variations, and cost overrun;*
(iii) *examine the recruitment process at the New Social Living Development Ltd; and*
(iv) *assess the management of funds allocated for operational and capital expenditure.*

Purpose of the report and restrictions on its use

The report was prepared to assist the NSLD in strengthening its operational efficiency by identifying gaps in procurement, project management, recruitment practices, and financial management; and by providing actionable recommendations to optimise use of resources. The inferences and analyses made in the report are based on data provided by officers of the NSLD, through secondary research and primary interactions. The OPSG has taken due care to validate the authenticity and correctness of the information from various sources. However, no representation or warranty, expressed or implied, is given by the OPSG or any of its respective officers as to the accuracy or completeness of the information, data or opinions, provided to OPSG by the NSLD, secondary sources or third parties.

This report has been prepared at the request of the MHL. Any part thereof, may not be shared with a third party without the written consent of the Ministry. Nothing contained herein, to the contrary and in no event shall OPSG be liable for any matters and any direct, incidental or consequential damages incurred by the NSLD or any other user as a consequence of acting on this report. Whilst each part of the report addresses different analyses, the entire report should be read for a full understanding of observations and recommendations.

In case the report is to be made available or disclosed to any third party, this disclaimer along with all the limiting factors must be issued to the concerned party. The fact that the OPSG assumes no liability whatsoever, if

for any reason a party is led to incur any loss for acting upon this proposal, must be brought to the notice of the concerned party.

The OPSG has appreciated the opportunity given to provide its services, and also looks forward to again work in close collaboration in the future. The OPSG team wishes to place on record the invaluable contribution made by all parties concerned and officers of the NSLD. The inputs provided by the parties have been helpful and have proved useful in the analysis of issues, options derived and the formulation of strategies and recommendations. The OPSG wishes to express its gratitude to all of them.

The OPSG shall be pleased to provide additional clarifications and assistance should the need arise.

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Director, OPSG
16 February 2026

List of Acronyms

Acronym	Definition
AFO	Assistant Finance Officer
APG	Advance Payment Guarantee
BEC	Bid Evaluation Committee
BLUP	Building and Land Use Permit
BOT	Build-Operate-Transfer
BSFL	Building Society Fund Ltd
CAR	Contractor's All Risks
CEB	Central Electricity Board
CEO	Chief Executive Officer
CIA	Construction Industry Authority
CPI	Cost Price Index
CWA	Central Water Authority
DICL	Drains Infrastructure Construction Ltd
DPCM	Deputy Project Control Manager
EOI	Expression of Interest
EOT	Extension of Time
FM	Finance Manager
Fidic	Fédération Internationale Des Ingénieurs-Conseils
FY	Financial Year
G +	Ground +
GCEO	Group Chief Executive Officer
HRAO	Human Resource and Administrative Officer
HRM	Human Resource Management
IPPM	Internal Process Procurement Manual
ITB	Instruction To Bidders
JV	Joint Venture
LDA	Land Drainage Authority
MD	Managing Director
MEP	Mechanical, Electrical and Plumbing
MEPU	Ministry of Energy and Public Utilities
MoF	Ministry of Finance
MHL	Ministry of Housing and Lands
MPSAR	Ministry of Public Service and Administrative Reforms
MSPA	Mauritius Sugar Producers' Association
NHDC	National Housing Development Company Ltd
NSLD	New Social Living Development Ltd
OAB	Open Advertised Bidding

Acronym	Definition
OPSG	Office of Public Sector Governance
PAs	Project Assistants
PC	Procurement Committee
PDF	Projects Development Fund
PCM	Project Cost Manager
PMs	Project Managers
PMCC	Project Management Consultants in Construction
POs	Project Officers
PPA	Public Procurement Act
PPD	Procurement Policy Document
PRF	Purchase Requisition Form
PSO	Purchasing and Supply Officer
PSIP	Public Sector Investment Programme
RB	Restricted Bidding
RFQ	Request for Quotation
RFP	Request for Proposal
SFO	Senior Finance Officer
SOEs	State-Owned Enterprises
SPV	Special Purpose Vehicle
TO	Technical Officer
WMA	Wastewater Management Authority
WRU	Water Resources Unit

Table of Contents

Executive Summary i

1.0 INTRODUCTION 1

1.1 Overview 1

1.2 Need for Study 1

1.3 Terms of Reference 1

1.4 Approach, Methodology and Scope 1

1.5 Non-Disclosure 2

1.6 Acknowledgements 2

2.0 PROCUREMENT 3

2.1 Procurement System 3

2.2 Informal Quotation 8

2.3 Formal Quotation 11

2.4 Procurement for Housing Units 14

2.4.1 Overview 14

2.4.2 Procurement Strategy and Consultant Engagement 15

2.4.3 Tender Exercises 19

2.4.4 Expression of Interest (EOI) & Contractor Selection 22

2.4.5 Access Roads and Associated Works 26

3.0 PROJECT MANAGEMENT 32

3.1 Project Management Team 32

3.2 Land Identification and Acquisition 34

3.3 Fast-Track and Utilities Coordination 37

3.4 Financial and Risk Instruments 41

3.4.1 Performance Guarantee 42

3.4.2 Advance Payment Guarantee 43

3.4.3 Insurance Cover 45

3.5 Project Status 47

3.6 Project Delays 48

3.7 Off-site and Drain works 53

3.8 Costs Variation 55

3.9 Housing Projects 58

3.9.1 Arsenal Housing Projects 58
3.9.2 Riambel (70 housing units) 63
3.9.3 Camp Levieux Housing Project (200 Units) 65
4.0 HUMAN RESOURCE MANAGEMENT 69
4.1 Overview 69
4.2 Human Resource Requirements of the NSLD 69
4.3 Recruitment and Selection 70
4.4 Allowances to Deputised Officers 73
4.5 Scheme of Service 76
4.6 Performance Management System 77
4.7 Records of Attendance 78
5.0 FINANCIAL MANAGEMENT 79
5.1 Overview 79
5.2 Project Value 79
5.3 Financing of Project 83
5.4 Budgeting 86
5.5 Recurrent Expenditure 89
5.5.1 Procedure over Disbursement 89
5.5.2 Analysis of Payment 89
5.6 Capital Expenditure 93
5.6.1 Analysis of Payment 93
5.6.2 Application for Fund 95
6.0 CONCLUSION 99
7.0 WAY FORWARD 100
Annex 1 List of Informal Quotations entailing formal tender procedures 101
Annex 2-List of Cancelled Procurement Exercises for Goods and Services 102
Annex 3 - Payments to Project Management Consultants in Construction 103
Annex 4-Form FIN 2-Schedule of Payment 105
Annex 5-Types of Housing Apartments 106
Annex 6- Organigram for Project management Team 108
Annex 7-Analysis of Project Status 109
Annex 8-On Site and Off-site Variation % 112
Annex 9 : Analysis of Capital Expenditure 114

List of Tables

Table 1: Procurement Method, Threshold and Bidding Period 4
Table 2: Procurement Approval and Award Authorities 6
Table 3: Value of Procurement 9
Table 4: Number of Purchase Orders and Value Threshhold 9
Table 5: Direct Purchases for FY 2023-24 10
Table 6: Procurement Methods and Thresholds 11
Table 7: Award to Project Management Consultants in Construction 16
Table 8: Payments to PMCCs 17
Table 9:Compensation Payments to PMCC 18
Table 10: Bidders Quotes and Corrected Amounts 27
Table 11: List of Bidders and Bid Prices 28
Table 12: Comparison of Commencement and BLUP Dates 39
Table 13: Construction Works Undertaken Before Issue of BLUP 40
Table 14: Performance Guarantee 42
Table 15: Performance Guarantee for Kuros Construction Solutions Ltd 43
Table 16: Advance Payment Guarantee 44
Table 17: Expired Insurance Cover 45
Table 18: Insurance Coverage vs Revised Completion Dates 46
Table 19: Project Progress Summary as at end of June 2025 48
Table 20: Housing Units Delayed 49
Table 21:Projects with Delays Above 300 Days 50
Table 22: Projects with Delays from 60 - 179 Days 50
Table 23: Value of Approved Off-site Works by Contractor 53
Table 24: Variation Orders with no Explicit Board Approvals 57
Table 25: Variation Works for Camp Levieux 66
Table 26: Staff deputed from NHDC and Allowances Paid during 2022 to 2025 73
Table 27: Summary of Housing Programme Phases 80
Table 28: Cost Structure 81
Table 29: Average Cost per Housing Unit 82
Table 30: Cost of Housing Unit for Tyack and Riambel 82
Table 31: Recurrent Revenue for FYs 2019-20 to 2024-25 86
Table 32: Analysis of Costs 90
Table 33: Analysis of Delays in Payments to Contractors 97

List of Figures

Figure 1: Bidding Process for Procurement > Rs 15 M 12
Figure 2: Process for Approval of Variation 56
Figure 3: Arsenal 1 Site Photo 60
Figure 4: Arsenal 2 Site Photo 62
Figure 5: Riambel Site Photo 64
Figure 6: Camp Le Vieux Site Photo 65
Figure 7: Procedure for Application for Fund 95

Executive Summary

The New Social Living Development (NSLD) Ltd, incorporated in May 2019 as a special purpose vehicle, is responsible for the construction of 12,000 housing units. It operates as a subsidiary of the National Housing Development Company Ltd (NHDC). As outlined in the Government Programme 2025-2029, the Government remains committed to ensuring that every family has access to a decent roof, particularly for low- and middle- income households. Consequently, the Ministry of Housing and Lands (MHL) requested the Office of Public Sector Governance (OPSG) to conduct an independent audit on the projects and activities of the NSLD since its setting up in 2019.

Procurement

Procurement System

A key concern arises from NSLD's procurement and contracting processes. The company follows its **Internal Process Procurement Manual (IPPM)**, but **claims exemption from the Public Procurement Act (PPA) 2006**, although it is fully funded by Government grant. The audit identified the absence of a Procurement Committee, **insufficient competition due to short bidding periods**, and **inadequate segregation of duties. Tender security was compromised**, with both keys held by a single officer, and petty cash management lacked sufficient oversight.

Informal Quotations

A total of **Rs 33 million was spent on informal quotations** that were characterised with weaknesses such as **poor authorisation controls**, unsecured handling of supplier quotations, inadequate procurement planning, and **repeated breaches of the Rs 500,000 threshold**. The NSLD should introduce a standardised Purchase Requisition Form requiring managerial approval, strengthen controls through a secured procurement email and bid opening register, and consolidate low-value purchases through better planning.

Formal Quotations

For the period January 2021 to May 2024, a total of **18 tender exercises** were launched. 5 procurements had to be cancelled due to **inadequate market research**, resulting in suppliers failing to meet bid requirements. **The Bid Evaluation Committees were not in line with the IPPM**, weakening transparency and accountability. To strengthen procurement compliance and efficiency, the NSLD should conduct market research prior to each procurement, ensure proper

constitution of evaluation and procurement committees, and implement a standardised compliance checklist. Allowing the Bid Opening Committee to perform preliminary checks for errors would also help minimise delays and enhance process integrity.

Procurement for Housing Units

(i) Procurement Strategy and Consultant Engagement

In November 2021, eight Project Management Consultants in Construction (PMCC) were awarded contracts totaling Rs 919 million. The NSLD introduced **enhanced housing specifications**, **raising estimated costs to Rs 3.5 million per unit**. Despite revisions, **bids in 2022 exceeded cost estimates**, thus leading to cancellation. In 2023, the NSLD adopted a standardised design and build model (Phase 1 - 8,000 units). Consequently, the PMCC contracts were terminated and payment effected amounted to Rs 496 million, including Rs 85.64 million compensation.

To avoid similar challenges in future projects, the NSLD should undertake detailed pre-procurement planning, including feasibility studies and affordability assessments and consult potential bidders and industry experts to refine specifications and tender conditions

(ii) Tender Exercises for Housing Units

Two tender exercises were launched but had to be later cancelled due to **bid prices excessively above cost estimates**. The NSLD launched its first construction tender exercise in August 2022 based on specifications prepared by the PMCC for 23 sites covering 5,906 housing units. The first tender showed that bid prices for five sites exceeded cost estimates by approximately 30%, significantly affecting overall project costs and unit affordability. A second tender exercise, launched in November 2022 for seven sites covering 1,928 units (24.1% of total units), revealed continued challenges. Quoted prices ranged from Rs 3.45 million to Rs 12.45 million per unit, far above the budgeted affordability target of Rs 2.5 million per unit, resulting in the cancellation of the exercise. The inclusion of premium or non-essential features, without a rigorous cost-benefit analysis, undermined project affordability.

It is therefore recommended that, in future, clear and realistic cost estimates, based on market analyses, past projects and expert input be prepared prior to the launch of any tender.

(iii) Expression of Interest and Contractor Selection for Phase 1 Housing Units

In February 2023, the NSLD issued an Expression of Interest (EOI) to 19 large contractors. Out of 16 interested parties, 14 were found compliant with the EOI conditions, which included adherence to the design and build model, a minimum unit size of 60 square metres, compliance

with NHDC's specifications, construction of 200 to 1,000 units per contractor, a target unit price not exceeding Rs 2.7 million and delivery by August 2024.

Letters of Intent and Letters of Acceptance were issued between March and June 2023. The contract for NG Company Ltd (a construction company) was later terminated due to non-compliance, prompting a new EOI amongst the remaining 13 contractors. Each contractor was required to deliver housing units based on their own architectural designs, thereby resulting in considerable variability in building typologies, layouts and densities. The lack of standardised designs hindered cost comparison and quality assurance, while also increasing the risk of disparities in housing standards across different sites.

While the shift to a design and build model helped accelerate project delivery and control costs, the procurement approach raised several concerns. **Restricting competition** to a small group of large contractors limited opportunities for cost savings, innovation and value for money. The EOI process, while effective in assessing contractor capacity **did not provide a structured platform for competitive pricing** and the pre-set unit price ceiling may have reduced genuine competition. Site allocations were largely negotiated rather than competitively bid, and the handling of contract termination highlighted gaps in competitive safeguards.

For similar future projects, it is recommended that the design and build approach should be complemented with standardised housing designs, cost ceilings and monitoring of contractors' pricing against benchmarks. The procurement exercise should also allow broader participation through open national or international bidding, including smaller contractors, consortia and joint ventures.

(iv) Access Roads and Associated Works

The NSLD launched **separate tenders for the design, construction and upgrading of access roads and associated works** for housing sites through Open National Bidding on two occasions. This led to additional procurement exercises, administrative complexity and potential delays in handing over completed units to beneficiaries. In the **first tender exercise** in November 2023, only **four bids were received** for the proposed scope of works. However, during evaluation, only **one bid was considered for evaluation.** The second tender exercise, held in March 2025, attracted six bids ranging from Rs 977 million to Rs 1.35 billion. After arithmetic checks and detailed technical and financial assessments, Transinvest Construction Ltd was recommended for award, with a bid approximately 15% below the cost estimates. However, it was noted that **off-site works were subsequently procured through variation**

orders added to existing on-site contracts. The total approved off-site variations amounted to Rs 504.4 million, of which Transinvest Construction Ltd received only Rs 28.9 million, i.e 5.7% for off-site works and the large share was awarded to on-site contractors. This approach bypassed competitive tendering and deviated from the established procurement strategy.

Access roads and associated infrastructure need to be integrated into the main housing contracts. Project planning frameworks should synchronize housing and complementary works such as roads, drains and utilities. The NSLD should adhere to contractual agreement further to procurement exercises.

Project Management

Project Mangement Team

The NSLD's housing projects are delivered on a design and build model where contractors bear primary responsibility for both design and execution. The Company has nonetheless established a **sizeable internal project management team** of about 50 officers resulting in **overlapping roles, blurred accountability and redundant supervision**, particularly in the verification of contractor schedules, site activities and technical aspects. Although regular project monitoring mechanisms exist, the practices were not systematically standardised. Progress reports are maintained in inconsistent formats with gaps in documentation on the central server.

The NSLD should review the cost-effectiveness of its large in-house project team and realign internal roles to complement, not duplicate, contractor responsibilities. It should also establish a centralised project management system and a formal Registry Section to ensure consistent documentation and secure record-keeping.

Land Identification and Acquisition

The **land identification and acquisition process** for housing projects was **slow and inefficient**, taking over 2 ½ years. Of 119 potential sites, nearly half were rejected early due to constraints like flooding risks or unsuitable surroundings. The **lack of a pre-approved land bank** forced the NSLD into ad-hoc negotiations, causing further delays. Geotechnical Investigations were also initiated late, missing opportunities for faster project delivery. It is recommended that the Ministry of Housing and Lands maintain an updated land inventory using mapping tools and satellite imagery, and conduct technical assessments such as GI and soil testing early and in parallel with other clearances.

Fast Track and Utilities Coordination

The housing projects was also significantly impacted by **delays in obtaining permit clearances**, **and utility approvals**. Although the Fast Track Committee was established to accelerate obtention of permits and coordination with key utility providers (CWA, WMA, and CEB), progress remained uneven, with persistent misalignment of work schedules. The Utilities Steering Committee improved communication, but did not fully resolve recurring issues of late infrastructure installation.

The NSLD should agree on realistic timelines for land acquisition, permits, and utility approvals at project inception through structured kick-off meetings. The Utilities Steering Committee should also be strengthened with clear mandates and escalation mechanisms, and introduce a mandatory compliance checklist to ensure permit verification by the technical team.

Financial and Risk Instruments

While most contractors submitted the required 5% performance guarantee, exceptions were noted, particularly for **Kuros Construction Solutions Ltd, which provided guarantees below the contractual requirement**, including as low as 3.63% for a contract valued at over Rs 1 billion (Balisson site). Furthermore, **inconsistencies in the performance guarantee register** were noted such as re-submissions and amendments of performance guarantees without clear audit trails.

Advance Payment Guarantees (APGs) were generally in place, with most contractors providing guarantees equivalent to 25% of the contract value. **The APG register lacked completeness** in tracking release processes, several guarantees marked as 'Fully Recouped' or 'To Be Released' had no documented release dates or approvals. In addition, a single APG covered multiple project sites, such as in the case of Beijing Construction Engineering Group Co. Ltd.

As for insurance cover, a few cases were noted where the number of insured units did not match the actual number of housing units under construction. For several projects, **the insurance coverage expired before the revised completion dates and defect liability periods**.

All contractors should be required to submit uniform performance guarantees of 5% in line with contractual terms, and that every guarantee be verified with the issuing bank. A formal audit trail should be instituted for all re-submissions, extensions or amendments. For advance guarantees, formal release letters with dates and approvals should be mandatory and site-wise allocation should be recorded where a single APG covers multiple projects. Insurance cover

must be systematically aligned with revised completion dates and defect liability periods. A central Insurance Register should be introduced to track expiry dates, coverage levels and extensions.

Project Status and Delays

As at June 2025, only 23.6% of housing units were fully completed and were ready for handover, while nearly **half (45.5%) encountered delays**. A further 8.1% were structurally completed but could not be delivered due **to outstanding off-site works such as drainage and road infrastructure**. Around 21.2% of the housing units were progressing on schedule, whereas **70 units at Riambel remained idle** due to site readiness issues.

The analysis highlighted notable **disparities in contractors' performance**.Some contractors had completed their allocated works, whilst others recorded **significant delays** such as Hyvec Partners Ltd (100%), Kuros Construction Solutions Ltd (92%), and Square Deal Multipurpose Cooperative Society Ltd (73%)**.** Five projects experienced delays exceeding 300 days. Key causes of delays included **poor coordination between housing project and off-site works, unresolved site readiness and late provision of utility services**. For example, completed sites such as Notre Dame and Pointe aux Sables could not be handed over due to delays in drainage works while other projects, such as Souillac and Camp Ithier sites, were structurally complete but stalled awaiting water and telecom connections.

The NSLD should implement a unified project timeline per site to align building, infrastructure, and utility works. Off-site contractor performance must be closely monitored, with recovery plans for high-risk sites (Arsenal, Coromandel, Riche Terre). All extensions of time should be justified through root-cause analysis and vetted by a technical committee before approval

Off-site and Drainworks

Cumulative approved variations for off-site works amounted to **Rs 504.4 million**. Significant delays were recorded, particularly with the **poor performance of Drains Infrastructure Construction Ltd (DICL)**. As a result, the NSLD issued additional Variation and Works Orders to building contractors and the off-site roadworks contractor to execute urgent drain works at priority sites. Several sites were found to have fully completed housing units that could not be handed over due to **incomplete off-site infrastructure**, such as lifting stations, drainage, waterworks and roadworks. Moreover, several projects scheduled for completion by the end of 2025, including Arsenal I and II, Riche Terre I ,and others have off-site works

scheduled for later stages, hence there is a risk that completed housing units will remain non-functional until infrastructure is delivered.

The Board should establish a dedicated committee to oversee and coordinate on-site and off-site activities, and monitor the Fast Track and Utilities Steering Committees. Such measures would enhance accountability, reduce delays and accelerate the delivery of completed housing units to beneficiaries.

Costs Variation

An assessment of on-site and off-site variations revealed that, of the estimated Rs 22 billion for Phase 1, approved on-site variations totalled Rs 202.8 million and off-site variations to Rs 504.4 million, together accounting for approximately 3.2% of the overall project value. **The process of conveying approval for variation of works is not in line with the requirements of Financial Instructions No 1 of 2019** - Capital Project Process Manual which was issued in accordance with Section 22A of the Finance and Audit Act 2017.

Furthermore, the analysis showed **uneven performance across contractors**. Some sites recorded high on-site variations, including Arsenal 1 by DLB Co. Ltd. (10.0% of contract value or Rs 77.6 million). Similarly, off-site variations were substantial at Camp Levieux (15.1%, or Rs 82.5 million) and Mare d'Albert by Ramasawmy & Ramasawmy Co. Ltd (14.6%). The review also revealed inconsistencies in the approval process for variation orders. There were instances where approvals were issued without supporting documentation, raising concerns about governance and accountability.

Project planning and design processes should be strengthened to minimise the need for major variations, supported by thorough scoping, technical assessments and realistic cost estimates. The NSLD should adhere to the requirements of the Capital Project Process Manual in the conveyance of approval for variation works.

Housing Projects

Arsenal Housing Projects

The audit of the Arsenal Housing Projects (Arsenal 1 - 284 units; Arsenal 2 - 290 units) identified **non-compliance with planning regulations, governance lapses and structural risks**. Construction progressed without valid Building and Land Use Permit (BLUP), and critical design changes, from reinforced concrete columns to cross block in-fills, were

implemented. Initially, the BLUP was for reinforced concrete columns however, the contractual agreement which was signed on 31 August 2023, authorised the use of cross block in-fills.

It was also gathered that the orginal tender documents entail the use of reinforced concrete columns. No explanation was obtained as to the changes brought in the contractual agreement and it could not be ascertained whether Board approval was obtained. There was no documents or records to justify the changes brought. Both projects (Arsenal 1 and 2) witnessed significant schedule delays due to redesigns, off-site infrastructure dependencies and coordination weaknesses, while contract sums increased due to variations and inflation. The NSLD should conduct independent structural assessments, ensure that all amendments are approved by the Board and risk management and oversight are strengthened.

Riambel Housing Project

The audit of the Riambel Housing Project (70 units) identified **significant delays and planning deficiencies**. Construction has not yet commenced as of July 2025, despite an official start date of 09 August 2024, primarily due to the unfinished wastewater disposal system and lack of statutory clearances, exposing the NSLD to legal, financial and reputational risks. It is recommended that statutory approvals, including the BLUP, be secured prior to mobilisation, and financial controls be tightened.

Camp Levieux Housing Project

The Camp Levieux Housing Project has achieved full on-site construction of housing units and associated infrastructure. However, **permanent occupancy remains delayed** due to the incomplete water supply system. An **unplanned expenditure** amounting to over **Rs 36 million** was incurred to re-route the access road. **The decision to divert the road was not supported by a formal feasibility study, cost-benefit analysis or risk assessment.** Furthermore, no official documentation could be traced to justify the expenditure or to indicate that appropriate approval were obtained. A project deviation procedure be set up, requiring written justification, technical validation and approval. Further, an internal audit review should be undertaken for all housing projects and ancillary infrastructure works with support from the Internal Control Unit of the Ministry of Finance.

Human Resources Management

Recruitment

Recruitment at the NSLD has been inconsistent, with technical cadre positions generally filled following public advertisement, while some positions in the administrative and finance

roles were filled through unsolicited applications. Additionally, **interview panels for recruitment in 2023 did not comprise any Board Director**. Furthermore, the Managing Director's CV provides for various qualifications, including a Diploma in Computer Studies and certifications in construction and IT, but does not mention any evidence of a Master's Degree, which was stipulated as a requirement in the 2021 recruitment advertisement for the position of Chief Executive Officer. Both the positions of Chief Executive Officer and Managing Director are of a leadership nature and entrusted with steering the company.

The OPSG recommends that the NSLD adopts an open, merit-based recruitment process for all roles and ensure that interview panels include a Board representative for senior posts.

Allowances paid to Deputised Employees

The **quantum of allowances** paid to the staff of the National Housing Development Company Ltd (NHDC) deputed to the NSLD **lacks justification** as a uniform rate was applied across roles of differing complexity. Additionally, the Confidential Secretary to Group CEO had been paid **significant overtime and allowances**. During the period June 2023 to December 2024, solely her salary, overtime and allowance averages to Rs 100,000 monthly, an amount which raises concerns. Furthermore, **disproportionate travelling allowances** were also noted. Some technical officers were being paid travelling allowance which exceeded the allowance paid for services rendered. In another instance, a deputised Procurement Officer was also assigned the functions of human resources against allowance.

The NSLD, being fully dependent on Government grant to finance its operations, should seek the advice of its parent Ministry and that of the Ministry of Public Service and Administrative Reforms regarding the quantum of allowances (monthly allowance and travelling allowance) payable to the deputised employees. The Board should also ensure that specialised duties are handled by qualified officers.

Scheme of Service

The **Schemes of Service** for the established positions across both the technical and support cadres **have not been developed**. However, the Human Resource and Administrative Officer maintains only a list of duties for each position, along with the reporting lines of the respective job holder. For newly created positions in April 2025, **inconsistencies in salary alignment and qualification requirements** were noted in the Schemes of Service.

The NSLD, with assistance of its parent Ministry, should develop comprehensive Schemes of Service for all roles and also ensure consistency between job requirements and compensation.

Records of Attendance

The attendance of on-site staff is currently tracked via WhatsApp messages, with **no formal system (attendance register) or movement book** at project sites. For proper workforce monitoring, the Human Resources Unit should introduce a formal and reliable attendance recording system for on-site employees including a movement book at all sites.

Financial Management

Project Value

A major concern relates to the **escalation of the project value**. The initial allocation of Rs 12 billion for the construction of 12,000 units increased to nearly Rs 30 billion for only 8,000 units, with the unit cost rising from an initial ceiling of Rs 2.5 million to as much as Rs 3.74 million in certain cases. **Off-site works amounting to some Rs 5.3 billion were treated as variations** to existing contracts rather than being treated in a comprehensive project plan, raising questions about the robustness of project planning.

Financing of Projects

Neither the Finance Section nor the Cost Management Unit could provide precise information on the overall financing framework. From the Finance Section, it was gathered that the Government would provide a subsidy of Rs 14.4 billion, equivalent to two-thirds of the construction cost, through the Covid-19 Project Development Fund (PDF). The remaining financing gap of Rs 7.6 billion would be raised by the Building Society Fund Ltd (BSFL) through investors. This amount would subsequently be reimbursed to BSFL from the proceeds of the sale of the housing units.

According to the Deputy Cost Manager, the total financing for the project amounts to Rs 28.3 billion. A total of Rs 22.3 billion is being provided by the Covid-19 Project Development Fund. Of this, Rs 17 billion is for construction works, while an additional Rs 5.3 billion has been allocated for off-site works. Furthermore, a loan of Rs 6 billion has been secured from the BSFL. As the overall estimated project cost stands at approximately Rs 29.97 billion, the remaining difference of Rs 1.6 billion will be financed through collections from beneficiaries.

A centralised financial management system needs to be established to track all project costs and funding sources, with formal approval required for any reallocations. A clear plan must also be developed to address the Rs 6 billion funding shortfall, supported by the necessary clearances from the Ministry of Finance. Furthermore, to assist beneficiaries in accessing housing loan , a dedicated multi-stakeholder committee should be established.

Budgeting

A **revised budget is not prepared** following the approval of funds by the Ministry of Finance. Consequently, it becomes difficult to monitor actual expenditure against approved allocations, thereby **weakening budgetary control**.

NSLD's operations and administrative expenses are entirely financed through Government grants disbursed by the parent Ministry. These grants have increased substantially, from Rs 43.1 million in FY 2021-22 to Rs 529.7 million in FY 2022-23. While an Annual Grant Memorandum is signed each year between NSLD and its parent Ministry, **applications for monthly disbursements are not fully compliant with Financial Instruction No. 2 of 2014**. Specifically, NSLD does not submit the revised estimates of expenditure and revenue for the fiscal year.

The NSLD should prepare and submit a **revised budget each year** once funds are approved by the Ministry of Finance. The updated estimates should be endorsed by the Finance Committee and a structured budget monitoring mechanism should be instituted. The NSLD should also ensure **compliuance with with Financial Instruction No. 2 of 2014** when applying for grant from the parent Ministry.

Recurrent Expenditure

Since the Finance Section does not prepare a revised budget for its recurrent expenditure to reflect the amounts approved by the Ministry of Finance, overspending or underspending could not be established. The audit further noted that a monthly allowance of Rs 15,000 was being paid to the Land Surveyor since July 2024 for the use of personal land surveying equipment, costing Rs 165,000 to date, **without a cost-benefit analysis** to compare the long-term value of purchasing the equipment versus continuing with monthly allowances.

The Finance Section should prepare a revised budget for its recurrent expenditure which should then serve as the baseline for monitoring budget variances and expenditure trends. In addition,

the NSLD should adopt a structured approach to financial decision-making by conducting cost-benefit analyses prior to committing to recurrent financial arrangements or asset acquisitions.

Capital Expenditure

As per information provided, the original contract value across the housing projects amounted to approximately Rs 21.91 billion. This figure was subsequently increased by Rs 585.01 million for approved variation orders and Rs 392.15 million for Cost Price Index (CPI) adjustments, bringing the actualised contract value to Rs 22.87 billion. As of July 2025, payments certified totalled Rs 17.85 billion, representing 78% of the revised contract value, with an estimated Rs 5.04 billion still required to complete the remaining works.

Several projects, including Riche Terre 2 and Camp Levieux, have reached full certification, while others such as Pointe aux Piments and Puspass have exceeded 90% completion. However, **variations and CPI adjustments have significantly affected contract costs** at some sites, notably Goodlands (Rs 106 million) and Quatre Cocos (Rs 98.5 million), while CPI adjustments of around Rs 21 million each were recorded at Notre Dames and L'Esperence Trebuchet. Furthermore, despite substantial sums already certified, projects such as Ballison Lot 1 and Cote d'Or still require more than Rs 100 million each to reach completion.

Financial control and timely disbursements are to be maintained to manage the Rs 5.04 billion outstanding commitment. Additional attention should also be directed to variation approvals, contractor delays, and cost escalations.

Conclusion and Way Forward

The audit at NSLD has revealed **significant weaknesses in procurement, project management, land acquisition, financial controls and governance**. These shortcomings have led to rising costs, project delays and operational inefficiencies, thereby hindering the timely delivery of housing units to beneficiaries.

Strengthening compliance with procurement laws, adopting standardised project planning frameworks, enhancing financial transparency and reinforcing governance mechanisms are essential to restoring accountability and ensuring that public resources are utilised efficiently. A coordinated, long-term housing policy that is supported by robust oversight and effective inter-agency collaboration is essential for achieving the Government's vision of providing the target group access to safe, affordable and sustainable housing. Additionally, a **Committee has to be instituted** at the level of the parent Ministry to examine the findings and recommendations of this Report for implementation purposes.

1.0 INTRODUCTION

1.1 Overview

The New Social Living Development Ltd (also referred to as NSLD or Company), incorporated on 16 May 2019 as a special purpose company, is responsible for the construction of 12,000 housing units. The NSLD is a subsidiary of the National Housing Development Company Ltd (NHDC).

1.2 Need for Study

As enunciated in the Government Programme 2025-2029, Government is committed to ensuring a roof for each family and facilitating access to a decent roof for low and middle-income families. It was further mentioned that an institutional framework for the development of social housing will be elaborated following an audit on the projects of the NSLD since its creation.

Consequently, in January 2025, the Ministry of Housing and Lands (MHL) had requested the Office of Public Sector Governance (OPSG) to conduct an independent audit on the projects and activities of the NSLD since its setting up in 2019.

1.3 Terms of Reference

The Terms of Reference of the assignment are as follows:

(i) review the procurement process in the allocation of contracts to contractors for construction and other associated works;
(ii) assess project management and management of contract including delays, deviations in cost of the project, variations, and cost overrun;
(iii) examine the recruitment process at the New Social Living Development Ltd; and
(iv) assess the management of funds allocated for operational and capital expenditure.

1.4 Approach, Methodology and Scope

For this study, the following approach and methodology have been adopted:

- collection of information through desk research;
- consultation of minutes of proceedings of the Board and Committees;
- examination of files and relevant documents;
- review of the Internal Audit reports and Management Letters;

- reference to the Public Procurement Act 2006, and relevant regulations/legislations; and
- meetings with Head of Sections and staff of the NSLD.

The assignment covers the periods from 2019 to 2025.

1.5 Non-Disclosure

The OPSG shall maintain the confidentiality of 'non-public' information and any other information, so long as such information has not otherwise become publicly available.

1.6 Acknowledgements

The OPSG team would wish to place on record the contribution made by all the parties concerned and expresses its gratitude to all of them.

2.0 PROCUREMENT

The procurement functions at the NSLD are performed by a Head of Procurement and a Purchasing and Supply Officer (PSO) from the NHDC. These officers have been deputed to serve the procurement operations on a part time basis against payment of a monthly allowance. The Head of Procurement was deputed since December 2020 and the PSO since he joined NHDC in 2021.

The implementation of the residential units project under the NSLD involved a total of 45 procurement exercises related to construction works amounting to some Rs 30 billion. In addition, during the period October 2020 to April 2025, 20 tender exercises were carried out for the procurement of goods and services. During the same period, over 1,000 informal quotation exercises were also undertaken worth some Rs 33 million.

2.1 Procurement System

To guide the procurement process, the NSLD has introduced an Internal Process Procurement Manual (IPPM) and Procurement Policy Document (PPD) in January 2022 and these were further amended in February 2023. The purpose of the PPD is to provide for the basic principles and procedures to be applied in and regulate the procurement of goods, works, consultancy services and other services. The IPPM defines the procedures to be followed for all procurement activities based on the PPD to achieve maximum value for money.

Two types of quotations are launched namely, informal and formal. Informal quotations are resorted for procurement value below Rs 500,000 and formal quotations are adopted for purchases above Rs 500,000. The Procurement Method and bid documents that are used at the NSLD have to be in accordance with the provisions of the PPD. **Table 1** shows the procurement methods, the threshold and number of days allowed to bidders as provided in the IPPM.

Table 1: Procurement Method, Threshold and Bidding Period

S.N	Procurement Method	Threshold (Excl. VAT)	No of Days Allowed to Bidders
1	Expenses	Up to Rs 50,000	Exempted from PPD
2	Simple quotations	Up to Rs 500,000	A minimum of 1 day
3	Restricted Bidding	Up to Rs 15 million	A minimum of 5 days, unless the procurement is urgently required or depending on the nature of the procurement
4	Open Advertised Bidding (National)	Above Rs 15 million	A minimum of 10 days
5	Open International Bidding	As from Rs 200 million	A minimum of 20 days
6	Framework agreement - To be advertised openly	Any value	Minimum of 20 days
7	Expressions of Interests / Market engagement	Any value	Minimum 5 days (or earlier as the case may be)

Source: Internal Process Procurement Manual, NSLD

Observations

Internal Process Procurement Manual

- At paragraph 1 of the IPPM, it is stated that the NSLD is exempt from the application of the Public Procurement Act (PPA) 2006 and its accompanying regulations.
- The PPA 2006 is the principal legal framework governing public procurement in Mauritius. It is designed to ensure that all public entities, including state-owned enterprises (SOEs) conduct procurement in a manner that is transparent and competitive.
- As NSLD is publicly funded and mandated to deliver large-scale housing and infrastructure projects on behalf of the Government, it has to comply with the provisions of PPA 2006 as provided under Section 3(2), which stipulates that the Act shall apply to all procurements undertaken by a public body, except where the procurement is carried out by an exempt organisation. For the purpose of this section, **'public body'** includes any statutory body or Government company as may be prescribed under the Act.

- Such a deviation from statutory requirements cannot be justified unless a formal exemption has been granted through legislation.

Procurement Committee

- The IPPM provides for the establishment of a Procurement Committee which shall ensure that all procurement processes are conducted in accordance with the provisions of the PPD, IPPM or Internal Procedures and/or any such instructions issued by the NSLD. The Committee is also responsible for the vetting of bidding documents for procurements exceeding Rs 500,000 before their launch, as well as examining evaluation reports prepared by the Bid Evaluation Committees (BEC) prior to making its recommendation to the Accounting Officer. However, as at date the Procurement Committee has not been set up.
- **Number of Days Allowed to Bidders:** A review of the bidding periods currently applied in procurement processes has revealed that insufficient number of days are allowed to bidders to respond to procurement opportunities, particularly for Open Advertised Bidding and Open International Bidding. Internal guidelines allow for only 10 and 20 days, respectively. For procurements of this nature, a minimum response period of 30 days is granted to suppliers to allow sufficient time for bid preparation and to enable the company to secure an adequate number of responsive and competitive bids.

  Additionally, granting only one day for the submission of simple quotations is not in line with best practices as it significantly restricts suppliers' ability to prepare and submit competitive offers. Similarly, setting short deadlines of five days or less for Expressions of Interest (EOIs) and framework agreements can restrict market engagement and reduce the diversity and quality of responses received. Normally framework agreements, which often involve high-value, long-term commitments, warrant at least 30 days to ensure a transparent and competitive process.

  The use of restricted bidding with a response time of only five days is considered inadequate.

- **Award Authority:** Shortcomings were noted particularly at lower and mid-value procurement thresholds as there is insufficient segregation of duties. The thresholds for approval of procurement are outlined in **Table 2**.

Table 2: Procurement Approval and Award Authorities

S.N	Procurement Value	Approval to Start Procurement	Award Authority
1	Up to Rs 50,000	Petty cash expenditure approved by designated officer	Head of Procurement approves the award
2	Above Rs 50,000 to Rs 500,000	User Department Head approves initiation	1. Finance Manager: from Rs 50,000 to Rs 100,000 2. Group Chief Executive Officer (GCEO)/ Chief Executive Officer (CEO): above Rs 100,000 to Rs 500,000 3. Purchase Order issued by Head of Procurement
3	Above Rs 500,000 to Rs 15 million	1. GCEO/CEO approves initiation 2. Bidding documents approved by Procurement Committee	1. GCEO/CEO appoints BEC 2. BEC prepares evaluation report 3. Procurement Committee approves report 4. Board approval 5. GCEO/CEO approves award 6. Letter of Acceptance issued by Procurement Unit, signed by Head of Procurement
4	Above Rs 15 million	1. GCEO/CEO approves initiation. 2. Bidding documents approved by Procurement Committee	1. GCEO/CEO appoints BEC 2. BEC prepares evaluation report 3. Procurement Committee approves report 4. GCEO/CEO approves award 5. Board approval (if applicable) 6. Letter of Acceptance issued by Procurement Unit and signed by GCEO/CEO

Source: Internal Process Procurement Manual, NSLD

For purchases of up to Rs 50,000, the Head of Procurement is delegated to authorise the expenditure from the petty cash. However, with this arrangement one person is able to control the entire transaction cycle from processing of requests, authorisation to execution. As such, there is inadequate oversight, which can expose the company to the risk of misuse of funds.

A petty cash float of Rs 25,000 is maintained by the Finance Section to cover minor operational expenses such as newspapers, postages and other small-value items. The processes for replenishment and disbursement were reviewed and found to be satisfactory. However, it was noted that in one instance, the petty cash was used to procure two equipment valued at Rs 11,000. While quotations were solicited by the Head of Section (Project Cost Manager) and the item was purchased from the most

competitive offer, this transaction exceeds the typical threshold for petty cash usage and should have been processed through standard procurement channels.

For procurements between Rs 50,000 to Rs 100,000, a lack of segregation of duties is also noted where the Finance Manager is authorised to convey the award as well as effect payments.

- **Tender Box:** the IPPM provides for the bid box to be opened by two different keys kept in the safe custody by two senior ranked officers. However, it is noted that both keys of the bid box are in the custody of solely the Head of Procurement.

Recommendations

- ✓ The advice of the Procurement Policy Office is to be sought on the Procurement Manual of NSLD and necessary actions taken to ensure that NSLD, being a Government Owned Company, follows the requirements of the PPA 2006 to achieve value for money in its procurement dealings.
- ✓ A Procurement Committee needs to be set up and has to operate as per the requirements of the IPPM and comprises members listed in the manual.
- ✓ The IPPM needs to be revisited taking into consideration the guidelines issued by the Procurement Policy Office. The bidding periods need to be reviewed and adjusted for more competitive bidding. Clear documentation is to be maintained in cases where exceptions are applied.
- ✓ The NSLD should revisit its procurement framework to enforce functional separation between procurement initiation, financial approval, technical evaluation, and final award. In particular, the Procurement Committee should be involved in all procurements above Rs 500,000.
- ✓ Petty cash should be limited to meet petty expenses and as for procurements such as equipment entailing informal quotations this should be undertaken at the level of the Procurement Unit.
- ✓ In line with the requirements of the IPPM, the 2 keys of the bid box should be kept by two senior ranked officers.

- ✓ Implementation of an e-procurement system would also serve as a valuable control enhancement, ensuring that segregation is systematically enforced and transactions are fully auditable.

MHL Reply

Procurement of NSLD

The NSLD, as a Special Purpose Vehicle (SPV), does not fall under the Public Procurement Act. However, the NSLD operates within the parameters of an Internal Process Procurement Manual and Procurement Policy Document thus ensuring that all procurement processes are conducted in accordance with the principles of Good Governance and transparency.

The legal advice tendered to the NHDC in July 2019 stipulates that if the SPV is not listed in the Public Procurement Act (First Schedule), it therefore falls outside the ambit of the Act.

2.2 Informal Quotation

Informal quotation is used for procurement of goods and services with a value of up to Rs 500,000. Requests from Head of Sections are sent by email to the PSO with copy to the Head of Procurement, Managing Director and Finance Manager. Informal Quotations are invited via official email of the NSLD and at least 3 suppliers are invited. A minimum of 7 days is normally allowed to bidders to respond and is amended in case of urgency.

Fresh quotations are not invited for recently acquired items within a limit of Rs 200,000. These items may be procured from the same supplier, provided the previous price is maintained. The supplier may be retained for a period of up to six months.

Observations

- Any purchase expenditure between Rs 50,000 and Rs 500,000, by the NSLD, requires at least 3 offers from known suppliers or consultants. The standard bidding document of informal quotation from the PPO is adapted and used for this purpose. Since the setting up of the company, a total of Rs 33 million was spent for the procurement of

store items. **Table 3** shows the value of procurements based on the lists of purchase orders.

Table 3: Value of Procurement

SN	Period	Amount (Rs)
1	August 2021 - June 2022	3,932,004.24
2	July 2022 - June 2023	7,476,094.94
3	July 2023 - June 2024	11,098,593.20
4	July 2024 - April 2025	10,534,598.72
	Total	**33,041,291.10**

Source: List of Purchases, NSLD

- The PPD provides that any expenditure by the NSLD up to Rs 50,000 is exempted from the application of its guidelines and no formal call for tenders is required. **Table 4** shows the value threshold for the 1,019 purchase orders.

Table 4: Number of Purchase Orders and Value Threshhold

SN	Value Threshold	Number of Purchase Orders	Amount (Rs)
1	Up to Rs 50,000	853	10,628,555.54
2	Above Rs 50,000 up to Rs 100,000	79	5,920,652.33
3	Above Rs 100,000 up to Rs 200,000	66	9,165,517.08
4	Above Rs 200,000 up to Rs 500,000	21	7,326,566.15
	Total	**1,019**	**33,041,291.10**

Source:List of Purchases, NSLD

- The current system for processing purchase requests lacks the necessary formal authorisation and approval controls. Presently, the Head of Section submits purchase requests via email directly to the Head of Procurement, with copy to the Managing Director (MD) and Finance Manager. However, there is no documented evidence that these requests are formally authorised by the MD after verifying the availability of funding. This weakens accountability and may result in purchases being processed without proper budgetary control or managerial oversight.
- The Head of Procurement uses her official NSLD email account to invite quotations. However, this email is not secured or locked until the closing date of the offers. As a result, the submitted bids remain accessible prior to the deadline, exposing the procurement process to potential risks of unauthorised access and compromising confidentiality.

- There is inadequate procurement planning. Procurement for catering services and sound system exceeded the threshold limit of Rs 500,000 on a cumulative basis. For the financial year 2023-24, a total amount of Rs 2.5 million was spent on catering services on 16 occasions and a total amount of Rs 1.5 million was paid on procurement of sound system on 13 occasions. **Annex 1** refers. A formal tender exercise would have ensured more competitition and value for money.

  As per the Head of Procurement, informal quotations were launched initially and based on the best offer, the services were procured from the same suppliers. It was also informed that other quotations were launched for the supply of these services, however the best offers were obtained from the previous suppliers.

- It was also noted that there were 3 procurement exercises effected during the financial year 2023-24 that were undertaken through direct purchases and the amount exceeded the threshold limit of Rs 500,000. **Table 5** refers.

Table 5: Direct Purchases for FY 2023-24

SN	Date	Payment Voucher	Suppliers	Details	Amount (Rs)
1	27/11/2023	PV 878/11	Super Construction Co Ltd	Marquees, Podium, chairs and associated accessories	706,870
2	16/02/2024	PV996/02	Transinvest Construction Ltd	Supply and laying of crusher, Marquees, & Billboard -Pt Aux Sables - 17.08.23	500,000
3	31/05/2024	PV 1174/05	Square Deal Multi-Purpose Cooperative Society Limited	Billboard, Marquees & laying of crusher - Reunion Maurel	700,000

Source:List of Purchases, NSLD

Recommendations

- ✓ Frequent small value purchases under Rs 50,000 can be consolidated or procured in bulk. The NSLD should, as and when necessary, establish a Committee of Needs for analysing, consolidating, standardising and approving the requirements of the company, while ensuring availability of funds and also prepare the Annual Procurement Plan.
- ✓ A standardised Purchase Requisition Form (PRF) should be introduced that requires the signatures of both the Head of Section and the Managing Director before submission to Procurement Unit.

- ✓ A dedicated and secured procurement email needs to be used to prevent unauthorised access before bid deadlines. Also, a Bid Register needs to be introduced to record proceedings of all quotations exercises. Particulars pertaining to Quotation Reference, details of procurement, date of invitation, closing date, suppliers invited, response of suppliers, remarks of Bid Evaluation Committee, amongst others should be included. The register should be signed by the chairperson, members and secretary.
- ✓ Direct procurement above Rs 500,000 should be closely monitored. It should be enforced through proper approvals and should ensure transparency through reporting and justification under exceptional circumstances.

2.3 Formal Quotation

For formal quotation, 3 methods of procurements are used, namely Request for Quotation (RFQ), Restricted Bidding (RB), and Open Advertised Bidding (OAB). The thresholds for selecting the different methods of procurement are as indicated in **Table 6**.

Table 6: Procurement Methods and Thresholds

SN	Method of Procurement	Threshold
1	Request for Quotation	Rs 500,000 up to Rs 1 million
2	Restricted Bidding	Above Rs 1 million up to Rs 15 million
3	Open Advertised Bidding	Above Rs 15 million

Source: Internal Process Procurement Manual, NSLD

Any expenditure by the NSLD above Rs 500 000 up to Rs 15 million is carried out by a formal invitation to at least three known suppliers using the Standard Bidding Document. The Chief Executive Officer/Managing Director approves the issue of the bidding document and the award.

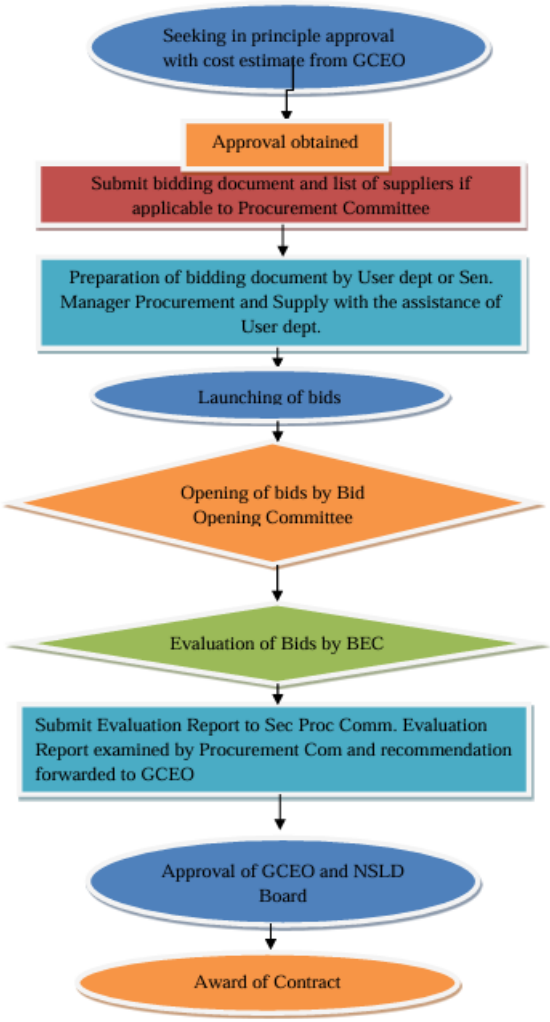
Any procurement by NSLD above Rs 15 million, has to be undertaken by an open advertised bidding method. The Open Advertised Bidding method may be launched locally or internationally.

Suppliers are required to deposit duly filled tender documents in the bid box of the NSLD. Bids are opened shortly after the closing time by the Bid Opening Committee. For all procurements above Rs 500,000, a Bid Evaluation Committee (BEC) is set up.

Following evaluation of bids, the BEC has to submit a signed evaluation report together with the recommendation to the Procurement Committee (PC). After approval by the PC, the report should be submitted in file to the Managing Director for endorsement. In some cases, approval of the Board is also required. After necessary approval is obtained, the file is submitted to the Procurement Unit for issue of appropriate letter of award, purchase orders or requisition. At present, the NSLD has not established a Procurement Committee.

For Open Advertised Bidding relating to procurement of goods, works and services for value above Rs 15 million, the procurement procedures as per the IPPM are illustrated in **Figure 1**.

Figure 1: Bidding Process for Procurement > Rs 15 M



Source: Internal Process Procurement Manual, NSLD

Observations

- For the period January 2021 to May 2024, a total of 18 tender exercises, using various procurement methods namely Request for Quotations (RFQ), Expression of Interest

(EOI), Request for Proposal (RFP) were employed for the procurement of goods and services. There were 5 procurement exercises that had to be cancelled due to non-responsive bids, details of which are provided in **Annex 2**.

- The majority of bids invited attracted between three to five bidders. Most procurements were finalised within two to four weeks, indicating efficient processing.
- A sample of procurement exercises above Rs 500,000 was selected for examination. It is noted that tenders were invited from a list of suppliers, bids were evaluated and the best offer was selected as per the established procedure. However it was noted that the Procurement Committee was not set up and the composition of the Bid Evaluation Committee was not in accordance with the IPPM (Page 10) which requires 3 members and a Secretary. This is reproduced below:

  *'An Evaluation Committee may be set up by the Accounting Officer in consultation with the **Chairperson** of the Procurement Committee and comprise of **not less than three members**, which may include members who are not an officer from the NSLD, where there is requirement for external expertise, **and one Secretary'**.*

  - **Mechanical & Electrical Works at Ebene Heights** (RFQ-05-2022-01): The procurement exercise for mechanical and electrical works at Ebene Heights was launched on 05 May 2022 with the closing date being 12 May 2022, that is, 7 days period allowed. Four suppliers were invited and at closing date, bids were received from all the four bidders. **The evaluation was conducted by a Bid Evaluation Committee comprising a chairperson and only 2 members**. Key BEC observations included lack of complete documentation, with only one bidder submitting CVs of key personnel, raising concerns about expertise. Additionally, arithmetic errors were identified in two bids, requiring corrections prior to the financial assessment. Voltas Electrical Ltd was awarded the contract for Rs 676,280.50 after meeting the necessary criteria for technical responsiveness and price competitiveness.

  - **Consultancy Services for** Fédération Internationale Des Ingénieurs-Conseils **(FIDIC) Contract and Claim Specialist (RFQ/10-2023/03)**: A Request for Proposal for Consultancy Services for FIDIC Contracts and Claim Specialist was sent on 31 October 2022 to four consultants. Three respondents submitted their bids. Bids were evaluated on 23 November 2022. **The bid evaluation was conducted**

by a Bid Evaluation Committee comprising a chairperson and one member only. Juddoo Consulting Ltd was found to be the most responsive bidder in the technical evaluation and was awarded the contract for a one-year term.

Same shortcomings were noted for the procurement of Supply, testing, commissioning of laptops, notebooks and accessories (RFQ-03-2023-01) and Provision of Insurance Coverage for NSLD (RFQ-05-2024-06) where the composition of the BEC was not in line with the requirements of IPPM.

Recommendations

- ✓ The NSLD should conduct proper market research to identify suitable suppliers before launching procurement exercise to improve responsiveness and reduce the risk of cancellations due to non-responsive bids.
- ✓ All Bid Evaluation Committees must be constituted according to IPPM guidelines, that is, comprising a Chairperson and at least three members and a secretary to maintain transparency and compliance.
- ✓ The Procurement Committee should be instituted at the earliest and actively involved in all procurement exercises above the prescribed financial threshold. It should also oversee the proper constitution of evaluation committees and validate key decisions to enhance governance and accountability.
- ✓ A standardised checklist is to be introduced for each procurement to confirm adherence to procedures, documentation requirements, and regulatory approvals at all stages.
- ✓ The Bid Opening Committee should perform early-stage checks for arithmetic or compliance errors in bids during bid opening to avoid delays in evaluation.

2.4 Procurement for Housing Units

2.4.1 Overview

The NSLD initially followed the established Design and Build procurement model, engaging Project Management Consultants in Construction (PMCCs) to manage technical studies, design works, tender documentation and contract supervision. The first tender, launched in August 2022, reflected enhanced building specifications and quality standards, but with a relatively

high estimated unit cost of Rs 3.5 million. A second tender, covering 1,928 units (around 16.1% of the target), was issued in November 2022.

However, to control rising costs and align with budget ceilings, the Government revised its procurement strategy in early 2023. This involved abandoning the PMCC-led model in favour of a direct Design & Build approach, capping the unit cost at Rs 2.5 million, and launching Phase 1 for 8,000 units. The PMCC contracts were terminated, and the construction mandate was transferred to large building contractors registered with the Construction Industry Authority (CIA).

To complement housing construction, Open National Bidding was also launched for the development and upgrading of access roads and associated infrastructure on NSLD sites.

2.4.2 Procurement Strategy and Consultant Engagement

Since its inception in 1991, the NHDC has relied on external consultants specifically Project Management Consultants in Construction (PMCC) and adopted a Design and Build procurement approach. In alignment with this strategy, the NSLD implemented a similar procurement methodology and prepared a Request for Proposal (RFP) for the recruitment of PMCCs.

The RFP covered the procurement of consultancy services encompassing the following scope of work:

- conducting feasibility studies, including topographical surveys and geotechnical investigations;
- preparing budget estimates;
- designing infrastructure and residential layouts;
- preparing tender documentation;
- managing contracts, including on-site supervision; and
- valuating works for payment purposes.

Observations

- On 26 October 2020, the NSLD invited Expression of Interest for PMCC for the construction of 12,000 residential units through Open International Bidding with closing date being 03 November 2020. 28 Consultants expressed their interests. However, further to Board decision, the procurement exercise was cancelled.

- In January 2021, a tender was launched for consultancy services across four project zones. The original closing date of 26 February 2021 was subsequently extended to 16 April 2021 due to the COVID-19 pandemic and the resulting national lockdown. However, on 8 July 2021, the Board cancelled the procurement process after determining that only 3 out of the 10 bidders were both technically and financially responsive. Consequently, a decision was taken by management to relaunch the procurement exercise with a revised and reformulated RFP.
- In August 2021, the NSLD launched a Request for Proposal for the PMCC of 12,000 residential units in 8 Zones, with a closing date of 29 September 2021. On 19 November 2021, 8 PMCCs were awarded the contract for a total amount of Rs 919 million. **Table 7** refers.

Table 7: Award to Project Management Consultants in Construction

SN	Consultant	Zone	Date of Award	Total (Rs)
1	JV Pixel-ATI	1	30 November 2021	90,300,000
2	Hooloomann & Associates Ltd c/o RLB Hooloomann	2	19 November 2021	121,500,000
3	BVBS Housing JV	3	19 November 2021	122,736,713
4	COSMOS-E-VYYAASS	4	31 March 2022	96,152,750
5	JV Housing ZCY	5	19 November 2021	121,421,384
6	Etwaro & Gibb (Mauritius) Ltd Joint Venture	6	19 November 2021	124,378,560
7	COMETE International / Desai & Associates JV	7	19 November 2021	123,648,600
8	KEYSTONE / PROFICA JV	8	19 November 2021	119,245,675
	Total			**919,383,682**

Source: List of Purchases, NSLD

- Further to the appointment of the consultants, the NSLD introduced several enhancements (in addition to the NHDC's existing house specifications) aimed at improving quality, durability, and resident well-being. The average estimated project cost per housing unit was set at Rs 3.5 million. This cost reflected the inclusion of the aforementioned upgraded specifications and was intended to balance quality with affordability. A few of the upgraded features included:
  a) varied housing unit sizes: units of 60, 65, and 75 square meters were introduced to cater to different household needs;

b) improved building configuration: apartments were designed up to G+6 configuration. Lifts were made mandatory for buildings from G+3 upwards, and lift shaft provisions were included even for G+2 structures; and

c) enhanced kitchen design: all units were to be equipped with kitchen tables fitted with granite countertops for durability and modern aesthetics.

- The implementation of the 12,000 units housing programme faced significant procurement and cost challenges from the outset. An initial tender launched in August 2022 revealed bids that far exceeded cost estimates, driven by stringent specifications and complex contractual conditions. In response, the NSLD revised project specifications and tender conditions to improve cost-efficiency and contractor engagement. However, a second bidding exercise in November 2022 once more resulted in unaffordable unit prices, prompting its cancellation. The two procurement exercises are further elaborated under construction projects.
- Following high-level discussions held in January 2023, the NSLD shifted to a design and build model in February 2023 to enhance cost control and boost delivery efficiency. All housing units were standardised to 60 square metres and the existing PMCC procurement model was abandoned. Phase 1 of the project, comprising a total of 8,000 units and distributed across all constituencies, was launched under this model. Consequently, all PMCC's contracts were formally terminated with effect from April 2023.
- The total payments disbursed to the 8 PMCCs amounted to Rs 496 million representing 54% of the total contract value, which was approved at the 63rd Board Meeting held on 16 May 2024. **Annex 3** details the payments effected to the 8 PMCCS. As per the schedule of payment, the amount payable up to design stage should have been 40%, **Annex 4** refers. However, it is noted that except for JV PIXEL-ATI all the other consultants were paid in excess of the prescribed payable amount (40%). **Table 8** refers.

Table 8: Payments to PMCCs

SN	Joint Venture (JV)	Amount Awarded	Amount Disbursed	
		Rs	Rs	%
1	JV PIXEL-ATI	90,300,000	11,795,814	13
2	Hooloomann & Associates Ltd c/o RLB Hooloomann	121,500,000	74,952,620	62

3	BVBS Housing JV	122,736,713	75,887,129	62
4	COSMOS-E VVYAASS	96,152,750	48,774,069	51
5	JV Housing ZCY	121,421,384	67,206,904	55
6	Etwaro & GIBB (Mauritius) Ltd Joint Venture	124,378,560	84,191,479	68
7	Comete International Desai & Associates JV	123,648,600	76,021,211	61
8	Keystone/Profica JV	119,245,675	57,920,976	49
	Total	**919,383,682**	**496,750,201**	**54**

Source: Finance Section, NSLD

- Following the termination of PMCC contracts, a total of Rs 85.64 million was paid to seven joint ventures as compensation, comprising Rs 11.26 million for sunk costs and Rs 74.38 million for loss of profits. **Table 9** refers.

Table 9:Compensation Payments to PMCC

SN	Joint Venture (JV)	Sunk costs Rs	Loss of Profit Rs	Total Rs
1	JV PIXEL-ATI	-	-	-
2	Hooloomann & Associates Ltd c/o RLB Hooloomann	2,290,214	9,607,572	11,897,786
3	BVBS Housing JV	2,958,002	11,541,560	14,499,562
4	COSMOS-E VVYAASS	1,456,156	10,023,090	11,479,246
5	JV Housing ZCY	771,000	10,343,310	11,114,310
6	Etwaro & GIBB (Mauritius) Ltd Joint Venture	1,725,740	12,076,395	13,802,135
7	Comete International Desai & Associates JV	1,201,665	9,774,610	10,976,275
8	Keystone/ Profica JV	860,805	11,009,249	11,870,054
	Total	**11,263,582**	**74,375,786**	**85,639,368**

Source: Finance Section, NSLD

The highest settlement was made to BVBS Housing JV (Rs 14.5 million), while Keystone/Profica JV, Comete International-Desai & Associates JV, and Etwaro & GIBB (Mauritius) Ltd JV received over Rs 10 million each. JV PIXEL-ATI did not receive any payment for sunk costs and claim for loss of profit.

Recommendations

- ✓ There is need for pre-procurement planning which has to include detailed feasibility studies and realistic cost estimates. This would help to align project scope with financial and market realities.
- ✓ It is important to consult potential bidders and industry experts as part of market survey during the planning stage to refine specifications and tender conditions, thereby improving the likelihood of obtaining competitive and responsive bids.
- ✓ As Government's objective is to provide affordable housing at minimal cost (e.g., NHDC standards), it is important that non-essential items/features are avoided to ensure that technical requirements strike a balance between quality and cost.
- ✓ The contract documents should include clear exit clauses, performance-based payments and penalties in consultancy and contractor agreements to minimise financial exposure in the event of project cancellation or redesign.
- ✓ To avoid excessive payouts in future contract terminations, it is recommended that the NSLD strengthens the agreements through introducing clear termination and compensation clauses, capping loss of profit claims, linking payments to deliverables and conducting a cost-benefit analysis prior to termination decisions.

2.4.3 Tender Exercises

First Tender Exercise

The average estimated project cost per housing unit was Rs 3.5 million. A first tender exercise for construction was launched in August 2022 based on the new specifications prepared by the PMCC as follows:

- housing units of 60, 65, and 75 sqm;
- apartment configurations up to Ground (G) +6, with lifts for G+3 and above, and lift shafts for G+2 apartments;
- granite kitchen countertops;
- fully finished ceramic-tiled units;
- hot water supply & air conditioning provision;
- semi-solid timber doors;
- solar street lighting;
- camera conduits;

- buried electrical & telecom networks (no poles); and
- enhanced community facilities like larger multipurpose areas and expanded commercial spaces for 'Ti-laboutik & Ti-bazar'.

Observations

- In respect of 23 sites, 16 tenders for 5,906 units were launched during August/ September 2022, amounting to 49% of the total number of housing units.
- For five sites (La Clemence, Bambous, La Rosa, Mare D'Albert, and Grand Bel Air), bid prices exceeded cost estimates by 30%, which has significant implications both for the total project cost and the eventual selling price of these units.
- Consequently, in September 2022 Government approval was obtained for the NSLD to proceed with the following decisions:
  - review its specifications for the housing units to align strictly with NHDC's specifications;
  - review the contractual conditions to ensure that there was an increased response from eventual bidders; and
  - annul on-going tenders and relaunch a second tender exercise on the basis of modified tender documents.

Second Tender Exercise

A second bidding exercise was carried out on 22 November 2022 for 7 tenders (Tyack, Surinam, Souillac, Mare d'Albert, Notre Dame, Reunion Maurel and Hermitage (I)) in respect of 1,928 units, which represents 24.1% of the total number of housing units. The closing date was 22 December 2022.

Observations

- The average quotes per housing unit varied from Rs 3.45 million to Rs 12.45 million for building configuration of G+1, G+2 and G+3, of 60, 65 and 75 m², respectively.
- The quoted prices received were found to be still excessively high, leading to non-affordability of social residential units, and thus the bidding exercise was cancelled.

Comments

- **New Specifications:** The inclusion of premium or non-essential features with no proper cost-benefit analysis undermined project affordability. In a public housing context,

there must be a clear balance between quality enhancement and cost. Some features (e.g., granite countertops and lift shafts for G+2) could have been made optional or deferred to future upgrades.

- **Average Quotes:** Despite adjustments, prices remained excessively high, exceeding the budget of Rs 2.5 million per unit, leading to bid cancellation. The significant variation in prices quoted by contractors, ranging from Rs 3.45 million to Rs 12.45 million per unit, indicates the absence of clear, standard cost guidelines or benchmarks at the outset of the tender exercise.
- **Tender Design:** The wide pricing gap also implies that the tender documents may not have been precise or detailed enough. If the specifications, drawings and requirements were unclear or left too much room for interpretation, bidders would naturally quote very different prices depending on how they understood the work.
- **Cost Estimation and Planning:** The absence of a well-prepared cost estimate or independent market analysis before calling tenders is a weakness in project planning. A reliable pre-tender cost estimate would have helped in setting realistic expectations, shortlisting serious bidders, and controlling the project budget.

Recommendations

- ✓ Clear and realistic cost estimates should be developed before any tender is launched. These benchmarks should be based on market studies, past housing projects and advice from cost experts.
- ✓ There is also a need to prepare detailed and reliable cost estimates for each type of housing unit so that Government can set affordable costs. These estimates would help avoid situations where bids far exceed budgeted amount and the tender has to be cancelled.
- ✓ Pre-bid meetings could be organised by the NSLD where contractors are given an opportunity to ask questions and be provided information on the expectations of the NSLD for the projects. This can lead to better bid submissions which is in line with the specifications.
- ✓ Future tenders should include clearer and more detailed specifications, standard drawings and better-defined scopes of work. Engaging independent experts to review tender documents before they are issued would also help ensure that requirements are precise and consistent.

- ✓ Future procurement should follow a more strategic approach, such as using a two-stage process or framework agreements. This would allow the NSLD to pre-approve contractors for specific phases or sites more efficiently. While continuing to work with large contractors registered with the CIA, there should also be clearer rules for evaluating and comparing costs to ensure value for money.

2.4.4 Expression of Interest (EOI) & Contractor Selection

In December 2022, in an effort to maintain the cost within the approved budget of Rs 2.5 million per housing unit, the Government decided to engage construction companies selected from the list of Large Building Works contractors registered with the then Construction Industry Development Board - now known as the Construction Industry Authority.

The NSLD sent an EOl on 06 February 2023 to all the 19 large Building Works Contractors registered with the CIA. (Note: Only large building contractors are eligible to undertake building construction works up to any amount above Rs 500 million).

Out of the **16 large contractors** who showed interest, **14 contractors** were found to be compliant with the following conditions spelt out in the EOI:

i. design and build model;

ii. internal floor area of minimum 60 square metres per unit, and NHDC's specifications to apply;

iii. construction of a minimum of 200 units up to 1,000 units approximately;

iv. target unit price not exceeding Rs 2.7 million (inclusive of on-site infrastructural works);

v. payment to contractors in Mauritian Rupees with entitlement to payment in foreign exchange only after the third year; and

vi. time frame for delivery by August 2024.

During the 43rd Special Board Meeting, the Board approved the implementation of Phase 1, covering 8,000 housing units (approx. 400 per Constituency) for households earning up to Rs 30,000/month, across 39 sites, with the 14 compliant contractors.

Five contractors proposed to construct 200 housing units each, one contractor proposed to construct 600 housing units and eight contractors proposed to construct 1,000 housing units.

At its 44th meeting, the Board approved for the NSLD to allocate:

(i) 200 units to each of the six contractors having expressed interest for less than 1,000 units, and

(ii) some 850 units to each of the eight contractors having expressed interest for 1,000 units or more.

The NSLD held a consultation meeting on 03 March 2023 with all 14 compliant contractors and finalised the allocation of sites and the number of housing units for each contractor. A Letter of Intent was issued on the same date to all the 14 contractors to submit their respective final offer including their final concept designs and masterplans, price activity schedule, detailed program of works and construction methodology.

At its 45th Board Meeting, the Board was informed that consensus was reached during the presentation to contractors on 03 March 2023, regarding the allocation of sites. Upon evaluation and clarification of offers received from all 14 contractors, Letters of Acceptance were issued during the period 28 April 2023 to 06 June 2023.

Following legal advice, the contract of NG Company Ltd was terminated on 03 July 2023 due to non-compliance to the conditions of contract. Consequently, a new EOI, based on the same terms and conditions as the initial EOI, was launched on 6 July 2023 amongst the 13 remaining compliant contractors of NSLD.

Each contractor would deliver housing units based on distinct architectural designs and building typologies, including Ground (G), Ground plus one (G+1), and Ground plus two (G+2) constructions. The configurations ranged from individual row-type units to apartments with varying numbers of units per block. This is as per **Annex 5.**

Observations

- The shift to the Design and Build model lacked standardised housing designs and ultimately leading to design variability making cost comparisons difficult.
- It is noted that there is lack of a standard design framework, resulting in a high level of architectural and structural diversity across sites. Each contractor has submitted and implemented their own building design, leading to significant variation in apartment layout and density. This makes it difficult to ensure consistency in the quality of

construction, cost per housing unit and equitable distribution of housing standards to future occupants.

Comments

The procurement strategy adopted by NSLD for the construction of the 8,000 social housing units, while intended to fast-track project delivery and contain costs, raises several concerns from both a procurement integrity and competitive market perspective.

- **Restricted Competition**: The decision to proceed through an EOI sent exclusively to 19 large building contractors registered with the CIA significantly limited competition. This approach effectively excluded smaller and medium-sized contractors, as well as potential joint ventures or consortia that could have offered innovative and cost-effective solutions, particularly for smaller site clusters. As a result, competition was limited to a small group of large players, which may have constrained opportunities for better price and value for money.
- **Competitive Bidding**: Furthermore, while the EOI process succeeded in identifying 14 compliant contractors, it mainly served as a mechanism to gauge interest and capacity rather than as a platform for genuine competitive price bidding.

  The process relied heavily on voluntary proposals regarding the number of units contractors were willing to build and their alignment with the target price, rather than a structured, open competition that would have enabled the NSLD to evaluate and select the most competitive offers.

- **Pre-Determined Pricing**: The target price of Rs 2.7 million per unit, while set with the aim of cost containment, may have further dampened genuine competition. By setting a ceiling price, the NSLD inadvertently discouraged contractors from offering more competitive bids.
- **Allocation of Sites**: The subsequent allocation of sites and units through consultation and negotiation, rather than a competitive bidding process for each site, raises additional concerns. Contractors were allocated sites largely based on their expressed preferences and capacities.
- **Bidding Exercise**: The handling of the termination of the contractor also highlighted gaps in the competitive safeguards of the strategy.

When NG Company Ltd's contract was terminated due to non-compliance, the NSLD invited the EOI to the same pool of 13 contractors, without considering new entrants. This approach limited fresh competition and may have constrained the project's ability to attract better terms or mitigate prior risks.

- **Multiple Design**: The lack of uniform design standards undermines project efficiency, complicates supervision and increases costs due to varying construction requirements. There is also a risk that beneficiaries could be dissatisfied due to perceived inequities in housing quality and amenities across different sites.

Recommendations

- ✓ Henceforth, the NSLD should come up with Standard housing designs with realistic cost estimates set in contracts and contractor pricing should be closely monitored throughout implementation.

- ✓ The NSLD should revise its procurement approach to allow broader participation. Future exercises should include open national or international competitive bidding in addition to expressions of interest. Smaller and medium-sized contractors, as well as consortia and joint ventures, should be given the opportunity to compete. This would improve market responsiveness, stimulate innovation, and foster competitive pricing.

- ✓ While the EOI process helped assess contractor interest and capacity, it should not replace a formal price-based bidding stage. The NSLD should incorporate a Request for Proposal (RFP) requiring all qualified bidders to submit detailed technical and financial offers. This would enhance transparency, allow price comparisons and increase the chances of obtaining more cost-effective solutions.

- ✓ In the event of contract termination or failure, the NSLD should launch a fresh competitive bidding process, rather than returning to a limited pool of previous bidders. This would ensure that lessons learned from prior failures are reflected in updated tender documents, and that the opportunity is extended to other qualified firms who may now meet the revised requirements.

- ✓ Given that over-concentration of work among a small number of large contractors increases risk in the event of underperformance, the NSLD should adopt a balanced workload distribution strategy, encouraging the participation of more contractors and reducing reliance on a few firms. This also improves market resilience and ensures project continuity in the event of contractor default.

- ✓ For urgent housing needs, the NSLD may retain fast-track processes but must do so within a framework of competitive safeguards. For example, a two-stage procurement model (EOI followed by RFP) can strike a balance between speed and transparency. Framework agreements with prequalified contractors may also offer a viable route for expediting work without compromising fairness.

- ✓ The NSLD should adopt a more harmonised approach for future housing developments. A set of pre-approved standard designs should be developed, which can be adapted to suit various site conditions while maintaining consistency in unit standards and project costing. A centralised design review mechanism should be established to vet any proposed deviations from standard plans, ensuring all designs meet quality, safety, and infrastructure integration requirements.

2.4.5 Access Roads and Associated Works

Tenders for the design, build, upgrading and/or construction of access roads and associated works for NSLD sites were invited through Open National Bidding on 2 occasions.

Observations

- The NSLD launched separate tender exercise for access roads and associated works. The question arises as to whether these road works could have been integrated into the original design and build contracts instead of being treated as separate agreements.
- Creating separate agreements for road projects, which are typically an integral part of housing developments, introduces additional procurement layers and project management overhead. This duplication can lead to unnecessary costs and project delays as separate teams handle road construction, adding administrative complexity to an already complex project structure.

- Further, it also implies that the completed housing units would not be able to be handed over to the clients pending completion of the access roads. Consequently, it is noted that currently, there are many completed residential units that cannot be handed over to clients.

First Tender Exercise

- Tenders for the design, build, upgrading and/or construction of access roads and associated works for NSLD sites were invited through Open National Bidding on **16 November 2023**. A pre-bid meeting was held on 27 November 2023. The closing date for bid submission was set for 20 December 2023 at 14:00 hours.
- The BEC comprised a Project Manager as chairperson and 2 Project Officers. The BEC Report, dated December 2023, outlined the technical and financial assessment of the bidders. The evaluation focused on supplier participation, the robustness of technical and financial scrutiny, the transparency of the process, adherence to statutory and procedural obligations, and the adequacy of justification for the final recommendation. Four contractors submitted their bids.
- Only four bids were received. The timeline of 3 weeks after pre-bid meeting indicates a relatively short period for bidders to prepare submissions, which may have influenced the limited number of responses received.
- Arithmetic adjustments were required for three out of four bidders, arising mainly from failure to incorporate amendments in Addendum 1 (Item 82). **Table 10** presents the bidders quotes and the corrected amounts, as provided in the Bid Evaluation Report.

Table 10: Bidders Quotes and Corrected Amounts

SN	Bidders	Quoted Amount Rs	Corrected Amount Rs
1	Gamma Construction Ltd	789,774,446.90	793,918,011.90
2	Transinvest Construction Ltd	455,073,000.00	455,073,000.00
3	General Construction Co. Ltd	478,295,010.00	479,825,010.00
4	Square Deal Multipurpose Cooperative Society Ltd	455,465,500.00	456,339,700.00

Source: Bid Evaluation Report, NSLD

- Although four bids were received, only one bid was considered during the evaluation phase. No documented justification was found for the other three bids. It is viewed that

this selective approach undermines the competitive integrity of the procurement process and raises concerns regarding transparency, fairness and value for money.

Second Tender Exercise

- Prospective bidders were invited on 25 March 2025 and a pre-bid meeting took place on 07 April 2025, where queries were clarified and two subsequent addenda were issued to ensure bidders had adequate and up-to-date information.
- The deadline for submission was 23 April 2025 at 14:00 hours, with bids opening on the same day at 14:30 hours. Six bids were received, ranging from Rs 977 million to Rs 1.35 billion. **Table 11** refers.

Table 11: List of Bidders and Bid Prices

SN	Bidder	Amount Quoted (Rs)
1	General Construction Co. Ltd	1,353,953,262.90
2	Gamma Construction Ltd	1,307,316,492.55
3	Square Deal Multipurpose Cooperative Society Ltd	1,065,190,000.00
4	Transinvest Construction Ltd	977,497,000.00
5	Beijing Construction Engineering Group	1,089,271,449.40
6	Qingjian Hyvec Infrastructure JV - NSLD Sites	1,104,789,582.50

Source: Bid Evaluation Report, NSLD

- The BEC was composed of a chairperson, 2 members and a secretary. The BEC proceeded methodically, beginning with an arithmetic check, revealing minor corrections for four of the six bidders. For example, Bidder No. 4 (Transinvest Construction Ltd) had omitted a line item totalling Rs 110,000, which was subsequently clarified and confirmed via formal correspondence on 29 April 2025. Their corrected total became Rs 977,607,000.
- Following arithmetic checks, the three lowest bidders Transinvest Construction Ltd, Square Deal Multipurpose Cooperative Society Ltd and Beijing Construction Engineering Group were subjected to detailed scrutiny. This included verification of document completeness per Instruction To Bidders (ITB) 12, examination of commercial responsiveness and assessments of technical and financial capacity.
- Bidder No. 4 (Transinvest Construction Ltd) met the majority of technical prerequisites. The BEC recommended the award to Transinvest Construction Ltd, whose quote was 15% below the cost estimate. It was also considered fair and reasonable in relation to project scope and prevailing market conditions.

- The evaluation report was finalised and submitted to management on 02 May 2025.

Direct Procurement for Off-site Works

- Although Transinvest Construction Ltd was initially awarded the contract for off-site works following a bidding exercise, the NSLD subsequently procured these works through variation orders added to the existing contracts of on-site contractors. This approach bypassed competitive tendering and deviated from the established procurement strategy**.**

  The total approved off-site variations amounted to approximately **Rs 504.4 million**, of which Transinvest Construction Ltd received only Rs 28.9 million i.e 5.7% for off-site works. The largest amounts awarded were to:

  (i) Super Construction Co. Ltd: Rs 82.5 million
  (ii) Ramasawmy & Ramasawmy Co. Ltd: Rs 80.1 million
  (iii) Beijing Construction Engineering Group (BCEG): Rs 75.8 million

  However, the practice of treating substantial off-site infrastructure works as variations to on-site construction contracts raises concerns regarding transparency and adherence to procurement principles.

Recommendations

- ✓ In future phases or similar projects, the NSLD should incorporate access roads and associated infrastructure into the main housing contracts. This integrated approach will reduce duplication in procurement, streamline project management, and facilitate timely handover of housing units.
- ✓ The project planning frameworks should be reviewed to ensure critical complementary works such as roads, drains, and utility connections are scheduled and completed with the completion of the housing units. This ensures project components are synchronized and reduces risk of idle assets.
- ✓ Sufficient time should be allowed, say more than a month, for bidders to prepare comprehensive submissions, especially when the scope includes design elements or

complex work. A realistic timeline can attract more qualified bidders and improve competition.

- ✓ In the first tender, only one bid was considered. It is important to implement stricter protocols requiring detailed documentation and justification for bid exclusions. All evaluation decisions should be recorded to ensure transparency, fairness and compliance with public procurement principles.
- ✓ The BECs should be constituted in accordance with the requirements of IPPM and where necessary to include experts in procurement, engineering and finance to ensure robust evaluation.
- ✓ Necessary training should also be provided on procurement guidelines, bid evaluation methods, and documentation standards.
- ✓ Given that Transinvest Construction Ltd was awarded the contract for off-site works, awarding off-site works to existing on-site contractors is not seen to be in order. Heceforth, the NSLD should ensure strict compliance with contractual agreements. It might also be appropriate to consider an open framework agreement to ensure the best price.
- ✓ Being a public body and given that the housing project, including associated works, was financed by the Government (COVID-19 Projects Development Fund), the NSLD should have stayed guided by the provisions contained in the PPA 2006. As the estimated value of the procurement is above Rs 100 million, it should have been considered as major procurement and referred to the Central Procurement Board for invitation, selection and award.

MHL Reply

After taking into considerations relevant provisions of FIDIC pertaining to potential liabilities that may crop up due to more than one contractor operating on a site and other factors like saving on mobilisation cost of new contractors as well as on time, the NSLD opted for the works to be entrusted to the contractors already on site. However, the attention of the NSLD has been drawn to the fact that as a matter of procedure, the prior approval of the Board should have been sought.

The NSLD has informed that the presence of more than one contractor on site *"can give rise to Contractor's Claims under the provision of Sub-Clause 20.1 of the FIDIC Conditions of Contract in terms of time and cost by the main contractor if the other contractor (Direct or Nominated) causes delay to the main contractor. Such claim may also arise, if an offsite Contractor causes delay to the onsite Contractor or vice-versa".*

3.0 PROJECT MANAGEMENT

Project management is a structured approach to planning, executing and overseeing tasks to achieve specific goals within defined timelines, budgets and resources.

3.1 Project Management Team

The NSLD technical team consists of approximately 50 officers responsible to oversee project management, cost control, and mechanical, electrical, and plumbing (MEP) works. The project management structure comprises four Project Managers (PMs), each assigned to manage a specific portfolio of construction sites as follows:

- PM 1 oversees 10 sites, supported by 3 Project Officers (POs), 8 Project Assistants (PAs) and 1 Technical Officer (TO);
- PM 2 is in charge of 11 sites, assisted by 2 POs and 6 PAs;
- PM 3 manages 6 sites, with support from 4 POs and 7 PAs; and
- PM 4 is responsible for 8 sites, assisted by 2 POs and 4 PAs.

A Project Cost Manager (PCM) is responsible for the cost management of all 35 NSLD project sites, which includes overseeing the contract payment system, managing project cashflows, ensuring timely financial clearances and coordinating with the project management teams. The PCM is assisted by a Deputy Project Cost Manager and a team of 3 POs and 10 PAs who are responsible for off-site related activities.

Three dedicated Mechanical, Electrical, and Plumbing (MEP) teams have also been established. Each team comprises one PO and one PA and is tasked with the design, installation and ongoing oversight of all MEP systems across the project sites.

An organisation chart for project management team is at **Annex 6**.

Observations

- The NSLD's housing projects are executed on a design and build basis, under which the contractor assumes responsibility for design, construction and project delivery. Nonetheless, the Company has established an in-house project management team of some 50 officers, including four Project Managers, a Project Cost Manager and dedicated MEP personnel, thus creating a dual oversight framework that blurs lines of accountability and results in redundant supervision.

- The current arrangement lacks clear delineation of responsibilities between contractor-led and NSLD-led project management functions.
- While independent oversight is valuable in public sector projects, its implementation should be risk-based and proportionate. The NSLD's current approach lacks a targeted oversight model and instead deploys staff across all projects uniformly, regardless of risk profile, contractor performance or site complexity.
- Based on interviews conducted, it was noted that the internal project management team was responsible for contract administration only and its responsibilities were not extended to verification of technical aspects such as test certificates.
- The preparation of work programs and progress reports by each project management team has not been systematically implemented and has largely remained informal. However, Project Managers ensure that their teams conduct monitoring and control in accordance with the conditions of contract. Given the volume of documentation, records are primarily maintained in digital format rather than in physical files.
- A Project Coordination Committee, comprising the Managing Director, Project Cost Manager, Deputy Project Cost Manager, Project Managers, and Project Officers, has been established. The Committee holds weekly meetings to review project progress and address critical issues such as cost variations, extensions of time, permits and clearances. The notes of meetings are prepared and kept in soft copies for future reference purposes.
- POs and PAs also submit weekly progress reports to their respective PMs. These reports are maintained in digital format by the PMs. Some PMs also make use of the server to upload progress reports for access by the internal project management team. However, a review of the information on the server shows that not all PMs are filing progress reports using the prescribed template and format. These were being kept in soft copies at the level of the PMs.

Recommendations

- ✓ The NSLD should undertake a comprehensive review of its internal project management team to assess the cost-effectiveness and necessity of maintaining a large in-house structure in a design and build context. The review should aim to eliminate duplication of roles already contractually assigned to contractors, particularly in areas such as scheduling, daily supervision and MEP oversight.

- ✓ While NSLD staff were responsible only for contract administration, it is recommended to include verification of critical deliverables such as test certificates, commissioning reports and material approvals. Without such technical validation, the NSLD cannot ensure that contractors are complying with performance specifications and statutory standards.
- ✓ Each internal project team should be required to prepare a programme of work (approved by the Managing Director), progress reports and update status on dashboards. These tools should be standardised for all projects to ensure consistency, and directly aligned with measurable milestones and contractual deliverables to facilitate effective monitoring and accountability.
- ✓ While progress reports and site data are currently maintained in soft copy, their management remains inconsistent across teams. To address same, the NSLD should implement and enforce the use of a centralised digital project management platform, which should serve as the single source of all project documentation, including contractors' performance reports, internal progress reports, notes of meetings, certificates and approvals. Such a system would ensure real-time updates and enhance transparency, improve accessibility and strengthen audit readiness across all projects.
- ✓ In parallel with the digital project management platform, it is also important to keep and maintain project payment files to serve as official records of transactions. In addition, a dedicated Registry Section should be in operation.
- ✓ Project management meetings should continue on a weekly basis, but with improved documentation practices. Minutes of meetings should clearly identify action items, responsible parties and implementation timeframes.

3.2 Land Identification and Acquisition

The social housing construction project required significant land resources, with each site designed to accommodate approximately 600 units, necessitating between 18 and 28 arpents of land per location. The NSLD adopted a distributed development strategy, aiming to spread projects across multiple sites per constituency.

The MHL advised that each site would require between 18 to 28 arpents to accommodate approximately 600 housing units, ideally distributed across 2 to 3 sites per constituency. Where

land availability was constrained within a constituency, the NSLD explored and identified suitable sites in adjacent constituencies.

Land Sourcing Strategy

- **State Land**: parcels were sourced primarily from lands made available through the Government- MSPA agreement and the database of state land of the MHL.
- **High-Rise Strategy**: given the scarcity of land, the Government agreed that the construction of high-rise buildings should be prioritised wherever technically and economically feasible.
- **Negotiations with Public and Private Entities**: the NSLD was also tasked with negotiating land acquisition with Government-owned Entities, and private landowners, especially in regions where State Land was not available.

Observations

- The land identification and acquisition process was a tedious and time-consuming exercise, extending over 2½ years, starting from end of 2020.
- In January 2022, Geotechnical Investigations were initiated to assess the suitability and buildability of identified sites.
- Since January 2020, approximately 119 potential sites were identified. Some 49 sites were excluded following preliminary authority assessments due to location in flood-prone zones, proximity to cremation grounds, scrapyards or general unsuitability for residential construction.
- Geotechnical Investigations were completed for 71 sites. Of these, 25 sites were deemed unbuildable due to presence of underground cavities, high water tables, and/or excessive on-site development costs.

Comments

- **Identification of Land**: While the strategy of land identification shows alignment with the policy objective of optimizing land use (e.g., through high-rise development), the lack of a pre-identified and inspected land inventory indicates inadequate forward planning. Reliance on ad-hoc negotiations and reactive sourcing contributed to the prolonged timeline and inefficiencies.

- **Geotechnical Investigations**: A significant lag exists between project inception and key technical assessments such as Geotechnical Investigations. This reveals weaknesses in project management sequencing and decision-making. The late start of Geotechnical Investigations assessments, despite land scarcity being a known issue, represents a missed opportunity for parallel planning.
- **Initial Site Screening**: The exclusion of over 60% of initially identified sites due to predictable or detectable constraints raises concerns about the quality and criteria of initial site screening.

Recommendations

- ✓ The Ministry of Housing and Lands should create and maintain an updated list of approved lands that have been inspected and deemed suitable for construction projects (such as housing, hospitals, roads and other amenities). This would avoid the need to start from scratch each time a new project arises. By using modern mapping tools, satellite images and better coordination between departments, the most suitable sites would be shortlisted at the start.
- ✓ The MHL can also consult the Land Drainage Master Plan at the very early stage to avoid selection of plots located in flood prone areas. The plan has also been made public by the Ministry of National Infrastructure.
- ✓ It is also essential to strengthen the screening of land in an early stage. A proper checklist should guide site selection, taking into account flood risk areas, distance from sensitive areas such as scrapyards or cemeteries, access to roads and utilities. Experts in land and construction should also be consulted.
- ✓ Timing of technical assessments, such as soil and water table studies, is another area requiring improvement. These evaluations should be conducted immediately after land is shortlisted and in parallel with other approval processes to avoid unnecessary delays thereafter in the project cycle.
- ✓ It is essential for the Government to establish clear cost limits for site preparation. Sites projected to incur excessive development costs for safe construction should be screened out early in the process to prevent unnecessary expenditure and resource wastage.

3.3 Fast-Track and Utilities Coordination

To support the timely implementation of the social housing programme, the NSLD established a Fast Track Committee and Utilities Steering Committee.

Fast Track Committee

To accelerate the execution of construction works and secure the necessary clearances from relevant authorities, such as Central Water Authority (CWA), Wastewater Management Authority (WMA) and Central Electricity Board (CEB), a **Fast Track Committee** was established in April 2023 under the chair of a Project Manager. The Committee was responsible for planning, coordinating and monitoring progress to ensure the timely obtention of **Building and Land Use Permits (BLUPs) by the respective contractors**. Its scope of oversight includes:

- facilitating clearances for BLUPs;
- providing human and logistical support to contractors;
- overseeing off-site works; and
- supporting the development of social amenities for the communities.

Utilities Steering Committee

To ensure coordinated implementation of utilities infrastructure, Utilities Steering Committee meetings were convened by the parent Ministry, with the participation of key stakeholders including the CWA, WMA, CEB, Ministry of Energy and Public Utilities (MEPU), Water Resources Unit (WRU) and Land Drainage Authority (LDA).

- **CWA**: a Memorandum of Agreement was signed between the NSLD and CWA on 07 September 2023 for the implementation of off-site works to ensure permanent water supply to all sites. The CWA is also responsible for securing wayleave for these off-site works.
- **WMA**: a Memorandum of Agreement was signed between the NSLD and WMA for the implementation of off-site sewer works. A framework agreement was launched by NSLD, with WMA designated as Project Manager for all off-site sewer infrastructure.
- **MEPU/WRU**: Water Research Co Ltd was appointed for the drilling of nine boreholes to support water resource development for the sites.

- **CEB**: the company is responsible for implementing all permanent electricity supply works, including:
    - erection and/or extension of high-tension line networks up to site boundaries; and
    - installation of low-voltage networks, including pole planting and transformer installation within the sites.
- **LDA**: Drains Infrastructure Construction Ltd (DICL) was mandated to carry out all off-site drainage works. Detailed designs are underway, subject to LDA approval, and coordination meetings between contractors and LDA are ongoing to facilitate implementation.

Observations

- The overall project timeline was adversely affected by the lengthy land acquisition phase, compounded by slow permit clearances and infrastructure approvals. The Fast Track Committee which was instituted to facilitate permit delivery, coordination with critical utility providers, such as CWA, WMA and CEB encountered difficulties to resolve issues. In response, the Utilities Steering Committee was launched in mid-2023 to provide a platform for joint planning and execution. This Committee improved communication but did not fully resolve misalignment in work schedules.
- Moreover, the installation of water, electricity, sewerage and telecom infrastructure has been a recurring problem in execution of project. Contractors often reported that infrastructure clearances lagged behind construction progress, resulting in idle time and fragmented completion.
- Further, while solar street lighting, rainwater harvesting and improved telecom readiness were included in the project design, broader sustainability elements such as solar energy generation were not comprehensively addressed. In the context of rising energy costs and environmental imperatives, these missed opportunities limited the long-term value proposition of the housing units.
- According to Clause 1.13 of the FIDIC contract, contractors are required to comply with all applicable laws, which include obtaining necessary planning permissions such as the BLUP before commencing construction. Furthermore, Clause 8.1 provides that the commencement date should be determined by the Employer through a formal notice, typically after fulfilment of key preconditions, including statutory approvals.

However, an analysis of the commencement dates across 36 housing construction sites revealed a recurring issue whereby commencement dates were set prior to the official receipt of the BLUP. Further to information gathered, this was to allow the contractors enough time to finalise design and drawings, move on sites and seek BLUP from appropriate authorities. **Table 12** refers.

Table 12: Comparison of Commencement and BLUP Dates

SN	Details	Number of Sites
1	Total sites reviewed	36 sites
2	Sites commenced after obtention of BLUP	3 (8%)
3	Sites commenced on same date as BLUP date	1 (3%)
4	Sites commenced before BLUP date	32 (89%)

Source: Technical Unit, NSLD

For only three sites, the commencement dates were after the contractor had obtained the relevant BLUP, while for one site, work began on the same date the permit was issued. The remaining 32 sites, representing approximately 89% of the total reviewed, recorded negative lead times ranging from 27 days to as many as 339 days, indicating that commencement dates were in advance of permit issuance. The longest early commencement date was observed at the Malherbes site with 339 days prior to the issuance of the BLUP.

- It is also noted that contractors commenced construction works before the receipt of the BLUP. An example is contractor Rehm Grinaker Co. Ltd (Riche Terre 2), commenced works on 2 August 2023, the same day the BLUP was received, raising concerns about whether requisite permits were available before mobilisation. Moreover, the contractor submitted a payment claim dated 6 July 2023, well before the official BLUP date.
- For the contractor Ramasawmy & Ramasawmy Co. Ltd (Mare D'Albert site), the commencement date was recorded as 28 April 2023, whereas the BLUP was only obtained on 15 August 2023. A payment claim was also submitted on 6 July 2023 for construction works before the permit was granted. **Table 13** refers.

Table 13: Construction Works Undertaken Before Issue of BLUP

SN	Contractor	Site	No. of Housing Units	Contract Value Rs	BLUP Receipt Date	Commencement Date	Payment certificate
1	Rehm Grinaker Co. Ltd	Riche Terre 2 (Opp Port Chambly)	200	548,000,000	02-Aug-23	02-Aug-23	06-Jul-23
2	Ramasawmy & Ramasawmy Co.Ltd	Mare D'Albert	200	548,000,000	15-Aug-23	28-Apr-23	06-Jul-23

Source: Technical Unit, NSLD

- From the above, it also follows that commencements of works prior to the issue of BLUP present regulatory risks, including potential sanctions for non-compliance, legal liabilities and the possibility of incurring abortive costs if planning conditions were later amended.

Recommendations

- ✓ Timelines should be established for land acquisition, permits and infrastructure approvals at the project inception stage. Necessary kick-off meetings need to be institutionalised prior to contractor mobilisation to ensure realistic schedules and risk mitigation plans.
- ✓ Furthermore, the mandate, composition and reporting mechanisms of the Utilities Steering Committees should be strengthened to enhance their operational effectiveness. This will help ensuring greater enforcement of cross-agency deliverables, streamlining utility-related processes and supporting the overall success of housing development initiatives.
- ✓ The project design framework may be amended, as and where possible, to include sustainability benchmarks (e.g., use of photovoltaic systems, passive cooling, insulation, green roofing, etc). A sustainability checklist could be incorporated into the project appraisal and approval process.
- ✓ It is important to ensure strict adherence to Clauses 1.13 and 8.1 of the FIDIC contract by prohibiting the issuance of Commencement Notices or any site mobilisation prior to the formal receipt of the Building and Land Use Permit.

- ✓ A mandatory pre-commencement compliance checklist needs to be introduced to confirm that all statutory approvals, particularly the BLUP, have been obtained before initiating physical works or processing any payment claims.
- ✓ Early mobilisation is to be allowed only under exceptional circumstances and restrict such activities strictly to design or preparatory work. Contractors must acknowledge that any such mobilisation is undertaken entirely at their own risk.
- ✓ The NSLD should ensure receiving all statutory clearances, especially BLUP to be obtained before physical mobilisation of the contractor or contracting any financial undertaking.
- ✓ There is need to strengthen the role of the Technical team by formally assigning it the responsibility of verifying the status of all required permits before site mobilisation is approved or any financial disbursement is made.
- ✓ It might also be of relevance to incorporate deterrent measures into contract terms, including financial penalties, withholding of payments or disqualification from future tenders for any contractor that proceeds with construction without securing all necessary approvals.

3.4 Financial and Risk Instruments

In construction projects, financial and risk mitigation instruments such as Performance Guarantee, Advance Payment Guarantee, and Insurance Cover play a vital role in safeguarding the interests of the contracting parties and ensuring the smooth execution of works.

A Performance Guarantee is typically required from the contractor to guarantee the faithful performance of contractual obligations. It provides the employer with financial protection in the event of default, delays, or defective performance.

An Advance Payment Guarantee is issued when the contractor receives an advance for mobilisation. It ensures that the employer can recover the amount in case the contractor fails to commence or properly utilise the funds for project-related activities.

Meanwhile, Insurance Cover is essential to manage the risks inherent in construction works. This includes coverage against property damage, third-party liabilities and worker injuries. The contractor is generally required to maintain valid insurance policies, such as Contractor's All Risks (CAR) and Workmen's Compensation Insurance, throughout the project duration.

3.4.1 Performance Guarantee

A Performance Guarantee Register was maintained to record, monitor, and manage securities submitted by contractors engaged in NSLD housing projects. As per the contract conditions, each contractor is required to provide a performance guarantee equivalent to 5% of the contract value.

The Appendix to Bid provides that the Performance Guarantee shall be in a form acceptable to the Employer in the amount of 5% of the Accepted Contract Amount, issued by a commercial bank or Insurance Company acceptable to the employer and duly registered Commission.

Observations

- All contractors, except Kuros Construction Solutions Ltd, have provided a 5.0% performance guarantee, consistent with standard procurement requirements. Kuros Construction Solutions Ltd has submitted an average lower guarantee of 4.4%, amounting to Rs 105,389,512.50 on a contract of over Rs 2.4 billion. **Table 14** refers.

Table 14: Performance Guarantee

SN	Contractor	Housing Units	Contract Value Rs	Performance Guarantee Rs	%
1	BCEG	1,200	3,287,700,000	164,385,000.00	5.0%
2	DLB Co Ltd	750	2,055,000,000	102,339,000.00	5.0%
3	Gamma Construction Ltd	600	1,644,000,000	82,200,000.00	5.0%
4	General Construction	230	630,200,000	31,510,000.00	5.0%
5	Hyvec Partners Ltd	750	2,055,000,000	102,750,000.00	5.0%
6	Kuros Construction Solutions Ltd	870	2,404,968,750	105,389,512.50	4.4%
7	Ramasawmy & Ramasawmy Co.Ltd	200	548,000,000	27,400,000.00	5.0%
8	RBRB Construction Ltd	900	2,452,500,000	122,625,000.00	5.0%
9	Rehm Grinaker Co. Ltd	200	548,000,000	27,400,000.00	5.0%
10	Square Deal Multipurpose Coorperative Society Ltd	800	2,188,800,000	109,440,000.00	5.0%
11	Super Construction Co. Ltd	200	545,000,000	27,250,000.00	5.0%
12	Tayelamay & Sons Enterprise Ltd	1,000	2,737,497,524	136,874,876.00	5.0%
13	Transinvest Construction Ltd	300	822,000,000	41,100,000.00	5.0%

Source: Finance Section, NSLD

- It was noted that the Performance Guarantee for site Balisson, awarded to Kuros Construction Solutions Ltd related to the construction of 290 housing units valued at Rs 1.08 billion, was submitted at a rate of 3.63% instead of the required rate of 5%. **Table 15** refers.

Table 15: Performance Guarantee for Kuros Construction Solutions Ltd

SN	Sites	Housing Units	Contract Amount (Rs)	Date Original Submitted	Insurance / Bank	Amount Rs	%
1	Balisson	290	1,080,650,000	06/06/2023 Returned - 07/06/2023 (amended Documents) - 10/09/2024 (Amended Documents)	Mau Bank	39,173,575	3.63
2	Souillac	200	542,897,500	06/06/2023 Returned - 07/06/2023 (amended Documents)	Mau Bank	27,144,875	5.00
3	Tyack	200	556,457,500	06/06/2023 Returned - 07/06/2023 (amended Documents) - 10/09/2024 (Amended Documents)	Mau Bank	27,822,875	5.00
4	Riambel	70	224,963,750	7/10/2024	Sanlam Insurance	11,248,187	5.00

Source: Finance Section, NSLD

- A few entries in the register show re-submissions or amendments with no clear audit trail, particularly for Kuros Construction Ltd and Tayelamay & Sons. Documents were returned, reissued or amended, wit no records of changes.

3.4.2 Advance Payment Guarantee

An Advance Payment Guarantee (APG) Register was kept and maintained on excel for accounting and recording of advance payments disbursed to contractors. This register serves as a useful tool for tracking the status of guarantees across various contractors and project sites. A few observations were noted in the areas of monitoring, and administrative processes.

Observations

- The majority of contractors have provided advance guarantees equal to 25% of their contract value, in line with standard industry practices (e.g. Gamma Construction Ltd, General Construction, Hyvec, Transinvest Construction Ltd). DLB Co Ltd provided a

guarantee of 1.2%. Square Deal Multipurpose Cooperative Society Ltd and Tayelamay & Sons Enterprise Ltd also submitted guarantees at 5.0% and 3.1%, respectively. RBRB Construction Ltd indicated no advance payment guarantee. Kuros Construction Solutions Ltd provided a 12.7% guarantee. Table **16** refers.

Table 16: Advance Payment Guarantee

SN	Contractor	Housing Units	Contract Value (Rs)	Advance Payment Guarantee (Rs)	%
1	BCEG	1,200	3,287,700,000	461,747,119.00	14.0
2	DLB Co Ltd	750	2,055,000,000	25,000,000.00	1.2
3	Gamma Construction Ltd	600	1,644,000,000	411,000,000.00	25.0
4	General Construction	230	630,200,000	157,550,000.00	25.0
5	Hyvec Partners Ltd	750	2,055,000,000	513,750,000.00	25.0
6	Kuros Construction Solutions Ltd	870	2,404,968,750	305,743,562.50	12.7
7	Ramasawmy & Ramasawmy Co.Ltd	200	548,000,000	54,800,000.00	10.0
8	RBRB Construction Ltd	900	2,452,500,000	No advance payment	NA
9	Rehm Grinaker Co. Ltd	200	548,000,000	137,000,000.00	25.0
10	Square Deal Multipurpose Coorperative Society Ltd	800	2,188,800,000	109,440,000.00	5.0
11	Super Construction Co. Ltd	200	545,000,000	136,250,000.00	25.0
12	Tayelamay & Sons Enterprise Ltd	1,000	2,737,497,524	83,800,000.00	3.1
13	Transinvest	300	822,000,000	205,500,000.00	25.0

Source: Finance Section, NSLD

- Advance payment guarantees, such as those related to Transinvest Construction Ltd, Square Deal Multipurpose Cooperative Society Ltd, and D.L.B Construction & Co Ltd, are marked as ‘Fully Recouped’ or ‘To be released’, but no formal release date was documented. This delay may result in unnecessary retention of financial instruments, which could affect the contractors’ liquidity or lead to reputational concerns.
- A single advance payment guarantee covered multiple project sites or housing units, as seen in the case of Beijing Construction Engineering Group Co Ltd. The individual allocation of the guarantee across the different sites was not clearly documented. This lack of breakdown may lead to ambiguity in enforcing claims or assessing financial exposure per site.

3.4.3 Insurance Cover

Insurance cover is essential in construction as it protects against financial losses from unforeseen events, ensures compliance with contract terms, and safeguards public funds. It supports project continuity, covers defects after completion, and reinforces contractor accountability. Overall, it is a key tool for managing risk and ensuring successful project delivery.

Observations

- Certain sites show a mismatch between the number of insured and actual housing units, indicating potential under-insurance. For Arsenal 1 (DLB Co Ltd) 282 of 284 units are insured and for Riche Terre 1 (DLB Co Ltd), only 160 of 176 units are insured. This may impact the project's risk management framework and insurance claim eligibility in the event of damage.
- Few projects were noted that have revised completion dates extending beyond the expiry dates of their insurance policies, **Table 17** refers.

*Table 17: **Expired Insurance Cover***

SN	Contractor	Site	Revised Completion Date	Insurance Expiry Date	Coverage Gap (Days)	Remarks
1	Super Construction Co. Ltd	Camp Levieux	10-Dec-24	31-Oct-24	40	Insurance expires before completion. The insurance cover was thereafter revised and extended to 31 Jan 2025.
2	BCEG	La Brasserie	10-Oct-25	30-Jun-25	102	No insurance coverage

Source: Finance Section, NSLD

For Camp Levieux project (Super Construction Co. Ltd), the revised completion date was 10 December 2024, but insurance expired on 31 October 2024. The project is marked 'Completed', yet coverage did not extend to the defect liability period. For La Brasserie project (BCEG), there was multiple extended completion dates up to 10 October 2025, yet the expiry date for insurance was 30 June 2025, again leaving a significant gap in coverage.

- An assessment of insurance coverage for four ongoing construction contracts executed by RBRB Construction Ltd indicates a misalignment between the insurance expiry

dates and the revised or expected completion dates of the respective projects. **Table 18** refers.

Table 18: Insurance Coverage vs Revised Completion Dates

SN	Site Location	Revised Completion Date	Insurance Expiry Date	Remarks
1	Bambous	30-Sept-2025	30-Jun-2025	Gap of 3 months without coverage
2	Hermitage 1 (Behind Bus Terminal)	31-Jul-2025	30-Jun-2025	Coverage expires 1 month before completion
3	Hermitage 2 (Adj to La Digue)	31-Mar-2026	09-Sept-2025	Over 6 months coverage gap
4	La Source (Lot 1 to Lot 6, Lot 9)	31-Mar-2026	09-Sept-2025	Over 6 months coverage gap

Source: Finance Section, NSLD

From **Table 18**, it is noted that four projects are inadequately covered, as their insurance policies are set to expire prior to the revised completion dates.

At Bambous and Hermitage 1, the insurance coverage lapses before the new completion dates, with Bambous showing a gap of approximately three months and Hermitage 1 one month. The projects at Hermitage 2 and La Source (Lots 1–6, Lot 9) are both significantly delayed, now scheduled for completion by 31 March 2026. However, insurance coverage for both ends on 09 September 2025, resulting in an estimated six and a half months of uninsured construction activity.

Recommendations

Performance Guarantee

- ✓ All contractors shoud uniformly submit a 5% performance guarantee, as per the conditions of the contract.
- ✓ All performance guarantees should be verified with the issuing bank within 5 working days of receipt.
- ✓ It is important to develop and maintain a formal audit trail for all re-submissions, extensions or amendments to guarantees (e.g., Kuros Construction Ltd and

Tayelamay and Sons Enterprise Ltd). Any changes must be logged, approved and filed along with the original and revised documents.

Advance Payment Guarantee

- ✓ All APG marked as 'Fully Recouped' or 'To Be Released' should be accompanied by official release letters with dates, signatures and approval references. It is also important to include a release timeline in the APG register and monitor adherence.
- ✓ Where a single APG covers multiple sites (e.g., BCEG), the NSLD should ensure a clear site-wise allocation is recorded. This allows for accurate risk exposure analysis and enforceability of guarantees per contract/site.

Insurance Cover

- ✓ All contractors should extend insurance policies to fully cover revised completion dates and the defect liability period.
- ✓ No work should be certified for payment unless valid insurance covering the full timeline is in place.
- ✓ It is also important to enforce the requirement that no project is handed over or marked completed unless all insurance certificates and policies are filed and verified.
- ✓ Projects such as Tyack, Souillac, Riambel and La Source must have their insurance renewed or extended to match the latest expected completion dates.
- ✓ An Insurance Register should be introduced to track insurance policies, expiry dates, units covered and extensions across all contractors.

3.5 Project Status

A review of the progress status of the 8,000 housing units under the ongoing construction programme revealed that overall project execution is facing significant delays and operational challenges. This is as illustrated at **Annex 7**.

Observations

- An analysis was conducted on the status of projects as per the existing database. The progress status, as summarised in **Table 19**, provides a breakdown of housing units by completion stage:

Table 19: Project Progress Summary as at end of June 2025

SN	Status Category	No. of Units	% of Total (8,000)
1	Completed	1,884	23.6
2	Completed (Off-site works in progress)	200	2.5
3	Completed (Off-site drainworks pending)	212	2.7
4	Completed (Desnagging + Off-site Roadworks)	230	2.9
5	Delayed	3,638	45.5
6	Lifting Station Testing in progress	68	0.9
7	On Track	1,698	21.2
8	Site Not Ready	70	0.9
	Total	**8,000**	**100**

Source: Technical Unit, NSLD

- As at end of June 2025, 1,884 units (23.6%) have been fully completed and are ready for handover. An additional 642 units (8.1%) are structurally completed but remain pending due to outstanding off-site works, including drainage and road infrastructure or final snagging procedures.
- Some 68 units (0.9%) are undergoing final testing of lifting stations, indicating these units are nearing completion and there are 1,698 units (21.2%) that are progressing on schedule.
- A significant proportion of the housing units (3,638 units, representing 45.5%) have been classified as delayed. This indicates that nearly half of the housing programme project is currently behind schedule, posing risks to timely delivery, cost control and strategic planning objectives.
- There were 70 units (0.9%) at Riambel that have remained hindered due to unresolved site readiness issues, potentially linked to external dependencies such as land clearance or utility access.

3.6 Project Delays

Project delay occurs when planned activities within a project do not progress according to the approved timeline, resulting in the late completion of key milestones or deliverables. In the context of construction projects, this typically means that works such as site preparation, structural completion or final handover extend beyond the contractual period. Delays may arise from various causes, including inadequate planning, slow mobilisation by contractors, adverse

weather conditions, supply chain disruptions, unresolved site constraints or delays in obtaining regulatory approvals.

In large-scale public projects, such as the NSLD housing initiative, prolonged delays may also damage the reputation of implementing agencies and raise concerns over accountability and project governance. It is therefore crucial to identify and address the root causes of delays promptly to mitigate their impact and ensure that project objectives are achieved within the planned timeframe.

Observations

- An analysis was carried out to identify the delays incurred by contractors for total housing units awarded and the delays incurred. It was observed that while some contractors have completed their full allocations, others show significant delays in the construction works. **Table 20** shows the number of units allocated to the contractors and delays incurred.

Table 20: Housing Units Delayed

SN	Contractor	Total Units	Units Delayed	% Delayed
1	Hyvec Partners Ltd	750	750	100
2	Kuros Construction Solutions Ltd	870	800	92.0
3	Square Deal Multi-Purpose Cooperative Society Ltd	800	588	73.5
4	RBRB Construction Ltd	900	584	64.9
5	BCEG	1200	632	52.7
6	DLB Co Ltd	750	284	37.9

Source: Technical Unit, NSLD

Hyvec Partners Ltd has recorded 100% delay in its allocated housing units. Kuros Construction Solutions Ltd also showed a 92% delay in its construction projects. Delays among BCEG, RBRB, and Square Deal Multipurpose Cooperative Society Ltd range from 52.7% to 73.5%. DLB Co Ltd experienced the lowest delay at 37.9%.

- Five projects have encountered delays exceeding 300 days, with the longest recorded at 424 days (Bambous site by RBRB Construction Ltd). **Table 21** refers.

Table 21:Projects with Delays Above 300 Days

SN	Contractor	Site	Original Completion	Revised Completion	Delay (Days)
1	RBRB Construction Ltd	Bambous	31-Jul-24	30-Sept-25	**424**
2	BCEG	La Brasserie	31-Jan-25	10-Oct-25	**386**
3	RBRB Construction Ltd	Hermitage 1	31-Jul-24	31-Jul-25	**363**
4	RBRB Construction Ltd	Hermitage 2 / La Source	30-Jun-25	31-Mar-26	**273**
5	RBRB Construction Ltd	La Source (Puspass)	31-Jul-24	31-May-25	**302**

Source: Technical Unit, NSLD

- 11 projects encountered delays between 60 to 179 days, mostly from BCEG, Square Deal Multipurpose Cooperative Society Ltd, and Tayelamay & Sons Enterprise Ltd. **Table 22** refers.

Table 22: Projects with Delays from 60 - 179 Days

SN	Contractor	Site	Original Completion	Revised Completion	Delay (Days)
1	Square Deal Multipurpose Cooperative Society Ltd	Reunion Maurel	22-Sep-24	02-Dec-24	70
2	Square Deal Multipurpose Cooperative Society Ltd	Goodlands (Traffic Centre)	21-Jan-25	30-Apr-25	98
3	Square Deal Multipurpose Cooperative Society Ltd	L'Espérance Trébuchet	21-Dec-24	15-Jun-25	115
4	BCEG	Valetta	31-Jul-24	30-Sep-24	61
5	BCEG	Côte D'Or	31-Mar-25	29-Jul-25	120
6	BCEG	Henrietta 1 (Adj. Rivulet Augustin)	31-Mar-25	30-May-25	163
7	BCEG	Henrietta 3 (Behind NHDC)	31-Jul-24	04-Oct-24	65
8	BCEG	Malherbes	31-Jul-24	26-Jan-25	179
9	BCEG	Camp Le Juge	31-Dec-24	20-Aug-24	60
10	Tayelamay & Sons Enterprise Ltd	Olivia	30-Sep-24	15-Jan-25	106
11	Tayelamay & Sons Enterprise Ltd	Grand Bel Air	30-Sep-24	15-Dec-24	75

Source: Technical Unit, NSLD

- The Project Manager is responsible to approve extension of time for project delays. These delays have necessitated extensions of contractual completion dates and highlight significant coordination challenges. The key causes and examples include:
  - **Drains Infrastructure Construction Ltd**: A recurring concern is the lack of coordination between the housing project and the off-site infrastructure works. Specifically, drainage infrastructure under the responsibility of Drains Infrastructure Construction Ltd (DICL) has emerged as a consistent bottleneck. Several completed sites such as Notre Dame, Pointe aux Piments, Pointe aux Sables, and Beaux Songes have been unable to progress towards handover solely due to DICL's delays in implementing drainage works.
  - **Site Readiness Issues**: Delayed site preparation by contractor is a primary factor impacting project timelines. For instance, Kuros Construction Solutions Ltd's Balisson - Lot 1 & 2 projects, comprising a total 400 housing units, has recorded only 20-30% completion with an expected revised completion in May 2026 well beyond the original March 2025 deadline. Similarly, the Tyack site (200 units) managed by the same contractor shows minimal progress (<10%) due to the site not being ready as scheduled.
  - **Utility Service Provision Delays**: Coordination delays with utility providers (CEB, CWA, Mauritius Telecom and Emtel) have hindered the timely installation of electricity, telecommunications and water services. For example, at BCEG's Henrietta 1 site (308 units), the project is delayed due to pending site readiness from Emtel for telecom installations, with the expected completion now rescheduled to November 2025. DLB Co Ltd for Arsenal 1 site (284 units) was delayed due to incomplete pipe laying works extending completion beyond August 2025.
  - **Difference Between Structural Progress and Utility Works**: Certain projects have advanced substantially in building construction but are constrained by lagging utility and off-site infrastructure completion. Kuros Construction Solutions Ltd's, Souillac site (200 units) has reached near-completion status (90-100%) in construction but awaits final utility connections, extending completion dates to post mid-2025. For example, Tayelamay & Sons Enterprise Ltd for Camp Ithier site (188 units) is nearly structurally complete but is delayed

due to ongoing CWA works and pending utility service provision, with completion postponed from March 2025 to mid-2025 or later.

- **Off-site Infrastructure Delays**: Completion of critical off-site infrastructures such as service reservoirs, roadworks and sewer works remained behind schedule, limiting the progress of on-site construction and utility connections. BCEG's Cote D'Or site (324 units) is 65% complete but faces delays from pending service reservoir construction, leading to an extension of time (EOT) beyond July 2025. Likewise, Hyvec Partners Ltd's for Coromandel project (750 units) shows 85% progress but continues to be impacted by off-site water supply delays and pending approvals for sewer works, rescheduling expected completion date to late 2025.

Recommendations

- ✓ A single consolidated project timeline is to be developed for each site that synchronises building works, off-site infrastructure (drainage, roads and reservoirs) and utility installations.
- ✓ The performance of off-site infrastructure contractors, such as DICL needs to be properly monitored/controlled and penalties in accordance with contract conditions are to be applied, as and when necessary.
- ✓ A 'site readiness clearance' process is to be ensured before the start of construction. This should include land preparation, topography works and initial infrastructure planning approvals to avoid contractor idle time and inefficiencies.
- ✓ A dedicated utility interface team needs to be set up within NSLD to follow up with the several service providers. The team should track permits, installation timelines, and site access to minimise delays.
- ✓ As part of a recovery plan, it is important to identify and categorise sites with risk of delayed off-site works (e.g., Arsenal, Coromandel, Riche Terre) and develop site-specific plans.
- ✓ All extension of time approvals need to be supported by documented root-cause analysis (e.g., delay logs, utility correspondence, site readiness status) and reviewed by a technical committee to ensure transparency and consistency.

3.7 Off-site and Drain works

The NSLD is required to implement off-site infrastructure works as per the recommendation of the Authorities, to ensure the proper functioning of NSLD sites prior to delivery of the housing units to beneficiaries.

The implementation of the off-site works has been allocated as follows:

- Off-site waterworks - Central Water Authority (CWA)
- Off-site sewer works - Wastewater Management Authority (WMA)
- Off-site electricity works - Central Electricity Board (CEB)
- Off-site drainworks - Drains Infrastructure Construction Ltd (DICL)
- Off-site roadworks - Transinvest Construction Lid.

Observations

- The cumulative approved off-site variations across various contractors amounted to approximately **Rs 504.4 million** as indicated in **Table 23** .

Table 23: Value of Approved Off-site Works by Contractor

SN	Contractors	Approved Off-site Variations (Rs)
1	Super Construction Co. Ltd	82,524,459.65
2	Ramasawmy & Ramasawmy Co. Ltd	80,054,363.95
3	BCEG	75,805,565.23
4	General Construction	69,566,021.41
5	DLB Co Ltd	36,470,038.70
6	Tayelamay & Sons Enterprise Ltd	33,067,884.31
7	RBRB Construction Ltd	32,141,265.00
8	Transinvest	28,875,272.00
9	Hyvec Partners Ltd	21,399,035.40
10	Gamma Construction Ltd	17,886,289.23
11	Square Deal Multipurpose Cooperative Society Ltd	16,053,062.11
12	Kuros Construction Solutions Ltd	9,936,261.76
13	Rehm Grinaker Co. Ltd	632,500.00
	Total	**504,412,018.75**

Source: Technical Unit, NSLD

- Delays were being encountered by the DICL to implement the off-site drain works. Consequently, Variation Orders and Works Orders were issued to the building contractors and off-site roadworks contractor for the execution of immediate off-site

drain works to enable delivery of the housing units based on NSLD's list of priority of sites.

Moreover, further to a tender exercise, Transinvest Construction Ltd was awarded the contract for the implementation of the remaining off-site drain works and roadworks, with the aim of minimising abortive works and ensuring timely delivery of the pending housing units.

- Instances were noted where on sites construction works were completed but off-site works were still incomplete. Hence, the housing units cannot be delivered to beneficiaries because the housing units will not be functional owing to outstanding off-site works. The following 6 sites are concerned:
  - Riche Terre 2: Lifting Station
  - Notre Dame: Off-site drainworks
  - Pointe aux Piments: Off-site drainwvorks
  - Camp Levieux: Off-site waterworks (CWA)
  - Pointe aux Sables: Off-site drainworks
  - Beaux Songes: Off-site roadworks and drainworks
- More so, there are sites that are scheduled for completion by end of 2025 but off-site works are expected to be completed at a later stage. Consequently, the housing units would not be functional. The 6 sites mentioned below are concerned:
  - Arsenal I: Sewage system;
  - Arsenal 2: Sewage system;
  - Riche Terre 1: Sewage system, off-site roadworks, and drainage works;
  - L'Esperance Trebuchet: Off-site Roadworks;
  - Coromandel: Off-site roadworks and drain works; and
  - Henrietta 1: Off-site drainage works

Recommendations

- ✓ Given the Government is investing significantly in housing projects, it is recommended that a Project Steering Committee be established as a sub-committee of the Board. This committee would play a crucial role in ensuring the effective monitoring, coordination and control of project implementation. Additionally, it would be responsible for overseeing and following up on the performance of both

the Fast Track Committee and the Utilities Steering Committee, thereby reinforcing accountability and timely delivery. This would ensure a coordinated planning and execution of both on-site and off-site works.

- ✓ Both on-site and off-site activities should be properly managed and controlled in accordance with established schedules in program of work.
- ✓ Proper monitoring and control should be exercised over off-site works with site-specific dashboards.

3.8 Costs Variation

Variations in construction refer to any changes made to the original scope, design cost or timeline of a project after the contract has been signed. These can arise due to client requests, design errors, unforeseen site conditions or external factors, such as regulatory changes. If not well managed, costs variation can also lead to potential disputes.

To manage variations effectively, clear contract provisions, timely approvals, thorough documentation and good communication between stakeholders are essential.

Process at NSLD

When a variation is proposed within a construction or development project, the process begins by clearly identifying the nature and underlying rationale of the change. This step ensures that all stakeholders understand why the modification is necessary, whether it is due to unforeseen circumstances, design refinements or operational needs.

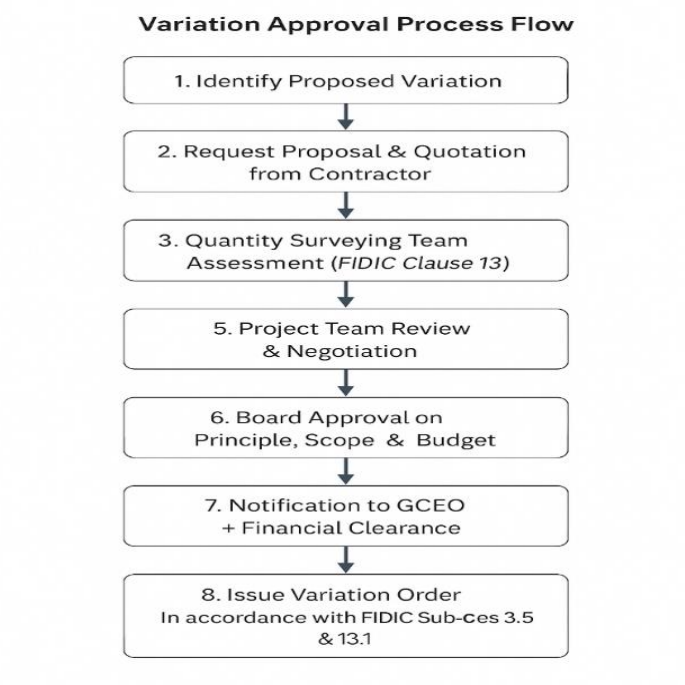
Once the variation is defined, the Project Management Team formally requests a proposal and a cost quotation from the contractor. This may involve on-site or off-site contractors, depending on the nature of the variation. The contractor then submits their proposal and quotation for consideration.

The documents are reviewed by the Quantity Surveying Team. This technical assessment ensures the proposal is both cost-efficient and contractually compliant. Subsequently, the Project Team evaluates the report from the Quantity Surveying Team and engages in negotiations with the contractor as needed to refine scope, price or delivery aspects. Board approval is required on three specific fronts: the principle behind the variation, the detailed scope of the change and the financial implications to ensure responsible oversight and alignment with organisational priorities.

Once the Board grants its approval, the Project Management Team drafts a formal note to the Group Chief Executive Officer (GCEO). Simultaneously, they initiate the financial clearance process to enable budget allocation for the variation.

With financial clearance in hand, a formal Variation Order is issued to the contractor. This issuance adheres to both Sub-Clause 3.5 (*Determination*) and Sub-Clause 13.1 (*Right to Vary*) of the FIDIC Yellow Book, establishing contractual authority for the modification. **Figure 2** illustrates.

Figure 2: Process for Approval of Variation



Source: Finance Section, NSLD

Observations

- The process of conveying approval for variation of works is not in line with the requirements of Financial Instructions No. 1 of 2019 - Capital Project Process Manual which was issued in accordance with Section 22A of the Finance and Audit Act 2017. The Manual sets out the processes, roles, responsibilities and controls to be followed in planning, approving, implementing and monitoring public capital projects.
- An assessment was conducted of on-site and off-site variations incurred for the housing project, **Annex 8**, refers. The NSLD has incurred an estimated Rs 22 billion in Phase 1 expenditures, including land development, consultancy, and off-site infrastructure

costs. Budget overruns were mainly attributed to rising material costs, changes in project scope and delays in land servicing.

- The approved on-site variations total Rs 202.8 million, while off-site variations account for Rs 504.4 million. These represent a variation of around 3.2% of the total project value.
- Certain projects recorded substantial on-site variations. For Arsenal 1 site managed by DLB Co Ltd, the on-site variation reached 10.0% of the contract value, amounting to Rs 77.6 million. Similarly, the Malherbes project under BCEG registered a 7.3% on-site variation, while Rehm Grinaker Co. Ltd project at Riche Terre 2 recorded 5.6%. These indicate deficiencies in the initial scoping, design estimates or technical evaluations, which necessitated considerable changes post-contract award.
- Off-site cost variations were also significant in several contracts. The Camp Levieux housing project experienced the highest off-site variation, representing 15.1% of the contract value (Rs 82.5 million), followed closely by Ramasawmy & Ramasawmy Co. Ltd at Mare D'Albert (14.6%) and General Construction at Beaux Songes (11.0%).
- A number of variation orders were noted where no explicit Board approval was mentioned. A few examples relate to contractors such as, Tayelamay & Sons Enterprise Ltd, Square Deal Multipurpose Cooperative Society Ltd, and DLB, where there was no reference to Board authorisation through resolution numbers, circulation notes, or supporting letters, as shown in **Table 24**.

Table 24: Variation Orders with no Explicit Board Approvals

SN	Contractor/ Project Site	VO Description	Date of VO	Amount (Rs)
1	Tayelamay & Sons Enterprise Ltd – Olivia	Off-site Drainworks – VO 1	14-May-24	10,738,306.04
2	Tayelamay & Sons Enterprise Ltd – Bel Air (NIA)	Omission of VO 1	12-May-25	Not stated
3	Tayelamay & Sons Enterprise Ltd – Grand Bel Air, Camp Ithier, Quatre Cocos	Off-site Drainworks	14-May-24	33,067,884.31
4	Tayelamay & Sons Enterprise Ltd – Camp Ithier	On-site	Not stated	8,507,884.31
5	Square Deal Multipurpose Cooperative Society Ltd – CWA Pipe	Relocation Work – VO 2	13-Jun-25	3,129,708.90
6	DLB – Arsenal & Riche Terre	Off-site Drainworks, EOT Costs	25-Apr-25	35,270,038.70

Source: Technical Unit, NSLD

Recommendations

- ✓ Project planning and design need to be strengthened. It is important to ensure thorough scoping, technical assessments and realistic cost estimates before contracts are awarded to reduce the need for major variations.
- ✓ The NSLD should adhere to the requirements of the Financial Instructions No. 1 of 2019 - Capital Project Process Manual in the conveyance of approval for variation works.
- ✓ The Variation Order Approval Procedures should be standardised. Clear procedures should be established that entail all variation orders to be formally approved by the Board, with proper documentation (e.g. resolutions or approval notes).
- ✓ A centralised register is to be kept and maintained for variation orders to track approvals, reasons/justifications, amounts and responsible authorities, thereby ensuring accountability and traceability.

3.9 Housing Projects

3.9.1 Arsenal Housing Projects

The Arsenal Housing Projects comprise Arsenal 1 (284 Units) and Arsenal 2 (290 Units). Similar to Arsenal 1 project, the contract for Arsenal 2 Housing Project was awarded to D.L.B Construction & Co. Ltd, who also serves as the Quantity Surveyor. NK Architect has been appointed for the architectural design, while Primera Engineering Consultants Ltd and KYA Engineers are responsible for structural/civil and MEP engineering services respectively.

During an official site visit in December 2024, the Minister of Housing and Lands described the state of the Arsenal housing project as a *'constat accablant'* - a damning indictment of serious non-compliance with construction and planning regulations. The following was noted:

The project was found to have progressed significantly without a valid Building and Land Use Permit (BLUP) for nearly one year. The initial BLUP (dated August 2023) required the use of reinforced concrete columns. However, by November 2024, a revised BLUP that was issued after construction had already commenced authorised the use of cross block in-fills instead.

Serious concerns were also raised as the housing units lacking reinforced concrete columns may be structurally compromised. Such buildings could be prone to cracking, water leakage or even collapse, and stressed that no beneficiary should receive a home of substandard quality.

The project (Arsenal 2), consisting of approximately 290 residential units, failed to deliver key amenities as originally planned. Playgrounds, green spaces and recreational zones were either absent or significantly underdeveloped. Furthermore, no provision was made for retail outlets, leaving future residents with no access to basic supplies within a reasonable distance (1 kilometre to reach shops).

Despite Government incentives and policies promoting renewable energy in public housing, no solar water heaters were installed as part of the project. It was also noted that unless rectified before handover, beneficiaries would bear the cost and responsibility of installation themselves, undermining equity and policy consistency.

Observations

- The initiation and continuation of construction without valid BLUPs, followed by BLUP amendments, reflect non-compliance with planning regulations and legal frameworks. These practices expose inadequacy in the integrity of project management.
- The initial BLUP (dated August 2023) for the Arsenal project required the use of reinforced concrete columns. The contractual agreement signed on 31 August 2023, authorised the use of cross block in-fills. It was also gathered that the orginal tender documents entail the use of reinforced concrete columns.
- No explanation was obtained to the changes brought in the contractual agreement. No Board approval for same was noted and there were no documents or records to justify the changes brought. It was only in November 2024 after construction had commenced was the BLUP revised to retrospectively allow cross block in-fills.

  This sequence indicates that the project was executed on the basis of non-aligned and irregular approvals. More critically, the absence of Board approval or documented justification for such a fundamental design change raises serious governance and accountability concerns.

  Units built with cross block in-fills may be more vulnerable to cracking, water leakage or in extreme cases, collapse. This not only endangers future beneficiaries but also exposes the NSLD to reputational and legal risks should defects or failures occur.

- The project as implemented diverged significantly from publicly communicated quality standards, particularly regarding structural integrity, green infrastructure, and sustainable energy provisions. This misalignment reflects a disconnect between declared project intentions and actual field execution.

- The delivery of potentially unsafe and incomplete housing units risks long-term financial liabilities for the State, and erodes public trust in government housing initiatives. Reputational damage and remedial costs may escalate if corrective actions are not urgently implemented.

3.9.1.1 Arsenal 1 Housing Project (284 Units)

The development at Arsenal covers a site extent of 14 arpents, involving the construction of 284 housing units alongside the necessary infrastructure and community amenities. Following possession of the site on 20 July 2023, construction officially commenced on 07 August 2023 after the issuance of the Building and Land Use Permit, dated 04 August 2023. **The original design was amended and new BLUP was obtained on 11 October, 2024**. The original completion timeline has been revised due to various factors, and the project is now expected to be completed by 13 December 2025. As of June 2025, 42% of physical progress has been achieved**. Figure 3** illustrates.

Figure 3: Arsenal 1 Site Photo



Observations

Project Delays and Schedule Slippage

- The original completion date of 22 July 2025 has been revised significantly from initial timelines, with completion now expected by 13 December 2025. i.e more than 4 months.
- Key delays arose from changes in the sanitation system from on-plot disposal to a gravity sewer network as mandated by the Wastewater Management Authority. This required major reprofiling works and redesign, causing schedule disruptions.
- Delays are also noted in the implementation of multipurpose and commercial buildings and in off-site sewerage infrastructure, including the lifting station construction, which remain incomplete or lack clear timelines.
- Off-site road and drainage works critical to flood mitigation are ongoing, but coordination and timelines under the District Infrastructure Construction Ltd scope are unclear.

Contract Variations and Cost Management

- The project's original contract sum of Rs 772.68 million has escalated to Rs 892.93 million (approximately 15.5% increase), mainly due to scope changes and variations.
- Significant cost drivers include sewer line implementation (Rs 63.45 million), off-site drainage works (RS 35.27 million) and inflation adjustment under Clause 13.8 (Rs 15.45 million).
- The number of housing units was increased by 2 units, adding Rs 5.48 million, indicating changes in scope.
- The adequacy of the variation approval process and whether these cost increases were justified, competitively priced and in line with contractual provisions requires further verification.

Risk Management and Contingency Planning

- The project encountered major design changes (sanitation system) late in execution, implying insufficient risk identification or contingency planning during initial phases.
- Off-site infrastructure dependencies, such as sewerage system and drainage works, have impacted timely completion, highlighting coordination weaknesses among stakeholders.

3.9.1.2 Arsenal 2 Housing Project (290 Units)

This project covers a land extent of 13.5 arpents and comprises the construction of 290 housing units along with critical infrastructure and community amenities.

Following site possession on 20 July 2023, the project officially commenced on 07 August 2023, subsequent to the issuance of the Building and Land Use Permit dated 04 August 2023. **Figure 4** shows a picture of the site at Arsenal 2.

Figure 4: Arsenal 2 Site Photo



Observations

Schedule Extension and Progress

- The initial completion date of 12 February 2025 has been extended to 08 October 2025 due to scope and infrastructure delays. As of June 2025, the project has reached 76% completion.
- Similar to Arsenal 1, the sanitation system transition to a gravity sewer network mandated by the WMA has delayed progress.
- Delays in multipurpose and commercial building construction persist, alongside pending off-site sewer infrastructure (lifting station) and undefined timelines for off-site drainage and roadworks under DICL.
-

Cost Variations and Financial Controls

- The initial contract amount stood at Rs 835.7 million. Due to design modifications and inflationary adjustments, the contract sum has been revised to Rs 840,342,233.71. Major variation orders include:

  VO 1 – Reduction in housing units from 305 to 290: **Rs (41.1 million)**

  VO 3 – Sewer line implementation: **Rs 29.03 million**

  Adjustment for CPI (Clause 13.8): **RS 16.71 million**

Project Coordination and Off-site Works

- Off-site infrastructure delays, including sewerage system and roadworks are adversely affecting project completion.
- Lack of clear timelines and coordination between the contractor and DICL for off-site works presents risk to project delivery and quality.

Quality Assurance and Certification

- Test certificates are pending completion of works, preventing current validation of construction quality and compliance.

3.9.2 Riambel (70 housing units)

The project at Riambel entails the construction of 70 housing units and associated infrastructure works. The project is being implemented over a site of approximately 4 Arpent and 97 perches (4A97) and is spearheaded by Kuros Construction Solutions Ltd as the contractor. The design and engineering team includes Yunus Peer Architect Ltd as the architect, KIMS Consulting Engineers Ltd as structural and civil engineers, and KYA Engineers Ltd for mechanical, electrical, and plumbing (MEP) works.

The project officially commenced on 09 August 2024. The initial and revised completion dates remain pending due to the non-finalisation of the BLUP. The project is expected to be completed within 375 calendar days. **Figure 5** illustrates a photo of the project at Riambel.

Figure 5: Riambel Site Photo



Observations

Contractual Commitment

- The scheduling of the project without appropriate clearance may expose the NSLD to legal, reputational and financial risks, including potential contractor claims.

Delay in Wastewater System Finalisation

- The wastewater disposal system design has yet to be completed and this has led to delays in securing the BLUP.
- Lack of early coordination with wastewater authorities indicates inadequate pre-contract planning and inter-agency collaboration.

Absence of Site Activity

- Although the commencement date was officially noted as 09 August 2024, no construction activities have begun as of end of July 2025.
- This stagnation raises concerns on:
  - cash flow management and advance payment risks;
  - inaccurate project scheduling; and
  - unproductive contractor mobilisation, if any had occurred.

Delayed Finalisation of Project Milestones

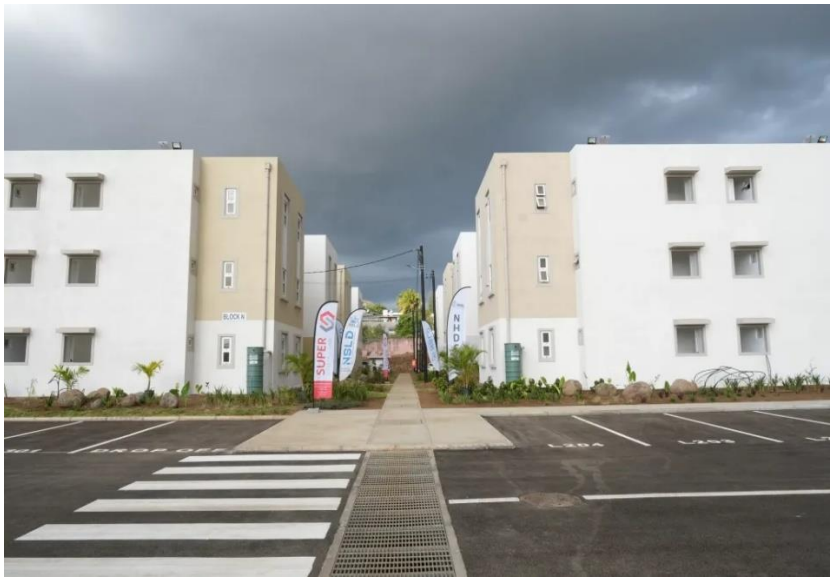
- Both initial and revised completion dates remain undefined, reflecting poor project planning and uncertainty in delivery timelines.
- The lack of a confirmed work schedule impairs the ability of NSLD to monitor progress or enforce penalties for delays.

3.9.3 Camp Levieux Housing Project (200 Units)

The Camp Levieux Housing Project, executed by Super Construction Co. Ltd, involves the construction of 200 housing units on a 10-arpent plot of state land vested to NSLD. The development comprises 16 blocks of G+2 apartments (12 units each) and 2 blocks of G+1 apartments (4 units each), strategically planned to address social housing needs in the region.

The Letter of Award was issued on 21 April 2023, and physical works commenced on the same day. The contract was awarded for a duration of 600 days, with an initial completion date of 3 October 2024, later extended to 10 December 2024. The BLUP was issued on 29 June 2023.**Figure 6** shows the Camp Le Vieux site.

Figure 6: Camp Le Vieux Site Photo



Observations

- As of the date of audit review, all on-site construction activities have been completed, with the physical infrastructure for housing units fully delivered. The contract was

valued at Rs 545 million, with approved variation orders comprising Rs 82.5 million for off-site works and Rs 11.3 million for on-site modifications. **Table 25** details the variation works and Board approvals.

Table 25: Variation Works for Camp Levieux

REF	Description	Amount (Rs)	Date of issuance of VO	Board Approval obtained
	Variation Order No. 1			
1	Off-site Works (Roadworks)	22,832,071.81	28-May-24	16-May-24
	Variation Order No. 2			
2	Off-site Works (Drainage)	44,521,070.20	28-May-24	16-May-24
	Variation Order No. 3			
3	Water Tank (Civil/ Structural Parts Only)	8,743,671.55	08-Jul-24	27-Feb-24
	Variation Order No. 4			
4	Water Tank (M&E Part)	6,427,646.09	06-Aug-24	27-Feb-24
	On-site Variation Order			
5	Revised Master Plan	11,329,081.16	11-May-24	11-May-24
	Total	**93,853,540.81**		

Source: Technical Unit, NSLD

- Despite the physical completion of housing blocks and supporting infrastructure such as CEB power connection, Emtel telecommunications, roadworks, and street lighting, the site is not yet fully ready for occupancy. The primary outstanding issue relates to the water supply system. The CWA has confirmed that a borehole and pumping station are still under construction, which delays the provision of permanent water supply to residents. The sewer infrastructure has been substantially completed, with only minor technical adjustments remaining.
- As per Parliamentary sitting held on 26 June 2025 (Hansard transcript Debate No. 23 of 2025), the Minister of Housing and Lands apprised that the former Minister of Finance, whose private residence was located along the same access route, objected to NSLD residents using the road as access to the project. Consequently, the project was redesigned to reroute the access road.
- The Ministry of Housing and Lands, in coordination with NSLD, approved the construction of a completely new road to provide an alternative access for residents of the housing development. This decision resulted in an additional public expenditure

exceeding Rs 36 million, which was not originally budgeted. . The Minister's remarks in Parliament reflect the severity of the issue:

'Just to move the road and for them not to use the road he uses... more than Rs 36 million was spent on a new road altogether by NSLD… and who has to pay for that? Taxpayers!'

- This incident raises serious governance concerns, particularly as the decision to divert the road was not supported by a formal feasibility study, cost-benefit analysis or risk assessment. Furthermore, no official documentation could be traced justifying this expenditure or indicating that proper approval channels were followed.
- An unplanned expenditure of Rs 36 million for the construction of a new road was incurred outside the original project scope, indicating deficiencies in internal controls governing variation approvals. The NSLD could not provide documented justification.
- This incident highlights a broader risk of opaque decision-making in the implementation of capital projects, undermining accountability and transparency.

Recommendations

Arsenal 1& 2 Housing Projects

- ✓ Construction should not proceed without valid BLUPs, and all design or contract amendments must be formally documented and approved by the Board.
- ✓ An independent structural assessment should be conducted for all units built with cross block in-fills, with unsafe units rectified prior to handover. Missing amenities and renewable energy provisions must be completed in line with original project plans and government policy.
- ✓ The NSLD should ensure comprehensive technical due diligence and collaboration with other stakeholders to identify, assess and mitigate foreseeable risks, especially those related to off-site infrastructural works.

Riambel Housing Project

- ✓ Financial controls need to be tightened, particularly in relation to advance payments and project cash flow management. For projects such as Riambel, where physical

activity has yet to commence, the NSLD must link all payments to verifiable progress milestones.

Camp Levieux Housing Project

- ✓ The NSLD and the Ministry of Housing and Lands should strengthen internal safeguards to prevent political or private interference in technical planning and execution.
- ✓ A project deviation procedure should be set up, requiring written justification, technical validation and approval for any modification to approved layouts or access routes.

Internal Audit Oversight

- ✓ An internal audit should be conducted to review all housing projects and ancillary infrastructure costs that exceeded original contract scope. The assistance of the Internal Control Unit of the Ministry of Finance may be sought in this respect.

4.0 HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) is a strategic and comprehensive approach to managing an organisation's most valuable asset - its people. HRM encompasses recruitment, selection, imparting training and development, appraising the performance of employees and so on.

4.1 Overview

A Human Resource and Administrative Officer (HRAO) is in charge of the human resource functions of the Company as from 10 October 2023. Prior to this date, the Head of Procurement of the NHDC was overseeing the human resource functions. The HRAO is responsible for the following, among others:

- recruits, interviews, and facilitates the hiring of qualified job applicants for open positions;
- performs routine tasks required to administer and execute human resource programs including but not limited to compensation, benefits, and leave; disputes and investigations; performance and talent management; occupational health and safety; and training and development; and
- attends and participates in employee disciplinary meetings, terminations, and investigations.

As of April 2025, the Company had a workforce of 93 contractual employees deployed across various roles within the company. All employees are recruited on a contract (one to three-year) basis, which is subsequently renewed based on the company's needs and also on the performance of the employees. In addition, to the 93 contractual employees, 9 employees of the NHDC have been deputed to provide their services, as and when required, to the NSLD in its various sections.

4.2 Human Resource Requirements of the NSLD

Human resource requirements involve identifying the people and skills an organisation needs to meet its objectives. It includes determining the required number of employees, their qualifications and experience, forecasting future workforce needs, assessing the current staff base and identifying any gaps or excesses in staffing.

Observations

- At the inception of the NSLD, a formal human resource requirement plan was not developed as the Company initially intended to operate with the support of Project Management Consultants.
- Following Cabinet's decision to shift from the Project Management Consultancy model to a Design and Build approach, the NSLD was required to reinforce its technical team for the implementation and supervision phase.
- Project Managers were recruited as projects or works on sites commenced. Following their appointment, they carried out an assessment to determine the required number of Project Officers and Project Assistants, who were subsequently hired based on those needs.
- It is noted that the contracts of some employees of the technical cadre are not being renewed when site works are completed. The staff base of the NSLD which stood at 93 as of April 2025 has reduced to 82 as at 30 July 2025.

4.3 Recruitment and Selection

The recruitment and selection of personnel at the NSLD is undertaken as and when the need arises. The various steps involved in the recruitment process are described below.

- Posts for the Technical Cadre are advertised through various channels such as newspapers and the website of the Company.
- The HR Unit maintains an Excel-based database to record all job applications received, whether by email or post. Key details such as applicants' names, qualifications and professional experience are captured in the database.
- The HRAO reviews applications against job profile/criteria and prepares a list of qualified/potential candidates to be called for interview.
- Interview panels are constituted based on the level of the position to be filled. For lower-grade roles, the Executive Director or the NHDC Group CEO decides and/or chair the interview panels. For senior-level positions, the Executive Director or NHDC Group CEO submits a proposal to the Board for the establishment of interview panels, which comprise a Director of the Board.

- The shortlisted candidates are invited for interviews, following which, the panel submits recruitment report to the Staff Committee which thereafter recommends to the Board.
- Following Board approval, job offers are made to the respective candidate and upon acceptance, an employment contract is signed.

Observations

- Advertisements for positions within the Technical Cadre were published on 27 December 2021 and 11 February 2023 in several newspapers, including *Le Mauricien* and *Week-End*.
- The interview panel set up for high-level position, such as Project Officer which was advertised in 2021, comprised the Chairperson of the Board, the Group CEO (also a Board Director) and two other members. Whereas, the interview panel constituted in 2023, pursuant to the February 2023 advertisement for the same position, did not comprise any Board Director.
- No formal advertisements were issued for some positions within the Administrative and Finance Cadres. In contrast to the transparent recruitment process followed for the Technical Cadre, these appointments were made solely through unsolicited applications received by the Company. Such a process lacks the openness and competitive selection that underpin good governance practices.
- A sample of personal files of the employees of both technical and support cadres was reviewed and it is noted that essential documents such as the employment contract, educational and professional qualifications, Curriculum Vitae, driving licence where applicable, are available in the files. However, copies of educational and professional qualifications for the Managing Director (MD) recruited in February 2025, were not available in his personal file. The Curriculum Vitae of the MD was perused and the following are indicated under the professional qualifications caption:
    - Building Construction (City & Guilds Institute)
    - Red Hat Linux System Administration
    - Diploma in Computer Studies (N.C.C England)
    - Hardware Assembling and Troubleshooting (M.I.T India)

- It is important to highlight that, as per the advertisement issued in April 2021, the minimum eligibility criteria for the post of Chief Executive Officer was a **Master's Degree or equivalent in the fields of Engineering, Project Management, Architecture or Design**, while a degree in Finance or Business Administration would be an advantage. Additionally, the role required a minimum of eight years of post-graduate experience in Construction and Project Management.
- It was further noted that the appointment to the post of Managing Director was made **without the position being publicly advertised**.
- It is to be pointed out both the positions of Chief Executive Officer and Managing Director are of a leadership nature and entrusted with steering the company.
- From the minutes of proceedings of the Special Meeting of the shareholder of NSLD held on 13 February 2025, '*the Shareholder resolved that Mr [……] be appointed as Managing Director of the Company on a contract basis for an initial period of 3 years with effect from 17 February 2025…'*.

Recommendations

- ✓ The NSLD should establish guidelines for the composition of interview panels, particularly for high-level positions. The inclusion of a Board Director in such panels helps to ensure transparency, enhances oversight and reinforces the integrity of the recruitment process.
- ✓ The NSLD should implement an open, merit-based recruitment process with proper advertising and clear criteria to ensure fairness, transparency and access to a wider talent pool.
- ✓ Furthermore, candidates' qualifications should align with the minimum eligibility requirements to ensure they possess the essential knowledge, skills and competencies needed to perform the duties of the position effectively.
- ✓ It is imperative that personal files of all staff members contain complete and accurate records, including certified copies of their educational and professional qualifications.

4.4 Allowances to Deputised Officers

Since its inception, the NSLD has relied on the services of several employees from the NHDC, against payment of a monthly allowance, to assist in the various functions, such as procurement, finance, human resource and project management. The employees have been deputed on either a full-time or part-time basis. **Table 26** outlines the details of these deputed personnel along with the corresponding allowances disbursed.

Table 26: Staff deputed from NHDC and Allowances Paid during 2022 to 2025

SN	Officer	Monthly Allowance			
		2022 (Rs)	2023 (Rs)	2024 (Rs)	2025 (Rs)
1	Procurement Officer	25,000	25,000	25,000	15,000
2	Senior Finance Officer	10,000	25,000	25,000	10,000
3	Confidential Secretary	7,000	15,000	15,000	-
4	Driver	3,000	3,000	-	-
5	Confidential Secretary	7,000	20,000	20,000	-
6	Messenger	5,000	5,000	-	-
7	Project Assistant	25,000	25,000	25,000	15,000
8	Project Assistant	25,000	25,000	-	-
9	Project Assistant	25,000	25,000	-	-
10	Project Officer	25,000	25,000	25,000	20,000
11	IT Coordinator	-	25,000	25,000	-
12	Land Surveyor	-	25,000	25,000	25,000
13	Assistant Procurement & Supply Officer	-	7,000	7,000	7,000
14	Procurement Clerk	-	5,000	5,000	-
15	Driver	-	7,000	7,000	-
16	Architect	-	-	25,000	10,000
17	Confidential Secretary	-	-	-	12,000
18	Driver	-	-	-	5,000

Source: Human Resource and Finance Sections, NSLD

Observations

- The Board, at its meetings of 08 December 2020, 12 May 2022, 01 August 2022, 21 September 2022, 04 May 2023, 05 April 2024 and 10 March 2025 approved for the above-mentioned employees of the NHDC to provide their services to the NSLD.
- It is noted that there is no basis for determining the allowances paid to the deputised employees. The Procurement Officer, Project Assistant, Project Officer, IT Coordinator and Land Surveyor were each receiving a monthly allowance of Rs 25,000. The level of

responsibilities associated with these positions is not uniform and as such, applying a standard allowance to the above-mentioned grades are not justified.

Allowance to the Confidential Secretary for Finance and Administration

- In the FY 2021-22, a monthly allowance of Rs 7,000 was granted to a Confidential Secretary to assist in the finance and administrative functions. On 29 March 2023, the Board approved an increase in the allowance to Rs 15,000, effective from 01 April 2023, for shouldering responsibilities as Corporate Administrator at NSLD.

Allowance to the Confidential Secretary to Group CEO

- It is further noted that the monthly allowance of the Confidential Secretary to the Group CEO was increased from Rs 7,000 in the FY 2021-22 to Rs 20,000 in the FY 2022-23.
- The Board at its meeting of 01 August 2022, upon the recommendation from the HR Committee '*resolved that the position of Mrs [……] be restyled as Personal Assistant to the Group Chief Executive Officer and the monthly allowance be increased to Rs 20,000 (inclusive of Rs 7,000) until further notice, effective 18 May 2022 and at the same time maintaining her overtime entitlement to be paid by NSLD'*.
- The monthly allowance of Rs 20,000 represents more than 40% of her basic salary and is viewed to be excessive. For the period June 2022 to January 2025, the officer has been paid an amount of Rs 640,000 as allowance.
- In addition, she received a total of Rs 627,474 as overtime payments for the period June 2023 to January 2025 in respect of secretarial and personal assistant duties. Notably, the claim for her overtime was significantly high in certain months. For instance, she was paid Rs 64,676 in December 2023 for overtime performed in October 2023 and Rs 146,121 in July 2024 for overtime carried out in May and June 2024, representing approximately 150% of her basic salary.
- It is worth mentioning that during the period June 2023 to December 2024, solely her **salary, overtime and allowance as Personal Assistant averages to Rs 100,000 monthly, an amount which raises concerns**.
- The duties of the Personal Assistant were compared with those of a Confidential Secretary at the Drains Infrastructure Construction Ltd (DICL), a state-owned company under the aegis of the National Development Unit of the Ministry of National

Infrastructure and Community Development. The duties are found to be of similar nature and include, amongst others, the following:

- To act as personal secretary to the CEO and to perform related secretarial duties.
- To manage agendas, arrange for appointments and maintain schedules (email, meetings, calendar, conferences, etc) of the CEO.
- To ensure that meetings are well organised and take place in time and appropriate information is made available.
- To maintain and file confidential records.

- It is to be also pointed out that the remuneration package for the Confidential Secretary at the DICL is negotiable in the range of Rs 21,475 to Rs 23,425, which is well below the basic salary drawn by the Personal Assistant deputised from the NHDC.
- The fact that the duties of the Personal Assistant were similar to those of the Confidential Secretary, a monthly allowance of 20,000 to the former is viewed as over generous.

Allowance to Project Assistant and Architect

- The Board, at its meeting of 10 March 2025, approved the payment of allowances to a Project Assistant (Civil Engineering) deputised to the NSLD on an 'as and when the need arises' basis as follows: monthly allowance of Rs 15,000 and monthly travelling allowance of Rs 20,000. It is to be pointed out that the travelling allowance granted to the officer exceeds the monthly allowance by 33%, which raises concerns regarding the proportionality and justification of such an arrangement. A similar situation was noted in the case of an Architect, whose travelling allowance also surpasses the monthly allowance, indicating a recurring issue in the allowance structure.

Allowance to Senior Finance Officer

- At the same meeting, the Board approved the payment of a monthly allowance of Rs 10,000 to the Senior Finance Officer (SFO) of the NHDC for her services rendered to the Finance Section of the NSLD.
- The Finance Manager was queried about same and he apprised that the SFO provides assistance twice a month, specifically in the processing of payroll. The payment of a fixed monthly allowance of Rs 10,000 for just two days of service is viewed as excessive in consideration of the limited time commitment.

Allowance to Procurement Officer

- From December 2020 to September 2023, the Procurement Officer was not only responsible for overseeing procurement activities but also assumed additional duties related to administration and human resource management. These responsibilities were carried out until the appointment of a Human Resource and Administrative Officer in October 2023. It is important to highlight that such functions should have been carried out by a specialist in human resource management.

Recommendations

- ✓ Since the NSLD is **fully dependent on Government grant** to finance its operations, the Company **should seek the advice of its parent Ministry and that of the Ministry of Public Service and Administrative Reforms regarding the quantum of allowances** (monthly allowance and travelling allowance) payable to the deputised employees. Additionally, the Board has to ensure that the funds allocated to the Company are judiciously used.
- ✓ Henceforth, the Board should ensure that roles involving specialised functions should be assigned to officers with expertise in the relevant field.

4.5 Scheme of Service

A Scheme of Service is a document that specifies the duties, responsibilities, qualifications, competencies and experience required of the prospective job holder.

Observations

- The Schemes of Service for the established positions across both the technical and support cadres have not been developed.
- The HRAO maintains only a list of duties for each position, along with the reporting lines of the respective job holders. This limited documentation lacks critical information such as qualifications and competencies required which are essential for effective human resource planning and development.
- However, as from April 2025, in two instances where new positions were created namely, Confidential Administrative Assistant, and Payroll and Administrative

Accounting Officer, the NSLD developed comprehensive Schemes of Service, outlining the required qualifications, experience, related job specifications and remuneration package.

- The qualification requirements for the position of Payroll and Administrative Accounting Officer are stated as either a **Diploma or Degree** in Accounting, Finance, Human Resources or related fields, with a **proposed salary of Rs 42,000**. The prerequisite is not well defined as it lacks clarity whether a diploma or a degree is required. This ambiguity may lead to inconsistencies in recruitment and compensation practices.
- It is further noted that the position of Confidential Administrative Assistant requires a **Degree** in Management or a related field, with a **higher proposed salary of Rs 50,000**.
- The comparison reveals inconsistencies in qualification requirements and salary alignment. While the Confidential Administrative Assistant role clearly demands a degree with higher pay, the Payroll and Administrative Accounting Officer position ambiguously requires either a diploma or degree, despite involving technical duties. This lack of clarity may lead to unequal recruitment standards and misaligned compensation.

Recommendations

- ✓ The NSLD, with assistance of its parent Ministry, should develop comprehensive Schemes of Service for all the established positions within both the technical and support cadres. This should include clear definitions of duties, required qualifications, experience, competencies and remuneration package. Additionally, consistency between the required qualifications and proposed salary should be ensured to promote fairness, transparency and alignment with best HR practices.
- ✓ The Schemes of Service should then be submitted to the HR and Branding Committee for thorough review and subsequently to the Board of Directors for consideration and approval.

4.6 Performance Management System

Performance management is a strategic management approach for monitoring how an organisation is performing. As a management tool for good governance and improved

performance, the Performance Management System provides the opportunity to identify developmental needs of employees at all levels in the organisation.

Observations

- Since the personnel of the NSLD are employed on a contractual basis, the Company has not established a formal Performance Management System to enable the evaluation of employees' performance.
- However, upon reaching the term of contract the Head of Unit provides feedback on the concerned employee to management along with recommendations for contract renewal, where necessary.

4.7 Records of Attendance

The Human Resource Section in responsible for managing the attendance and leave records of the employees which includes tracking employee work hours, recording absences and maintaining accurate leave balances.

Observations

- Currently, the practice at the NSLD is such that no attendance records are kept for on-site employees. Attendance is instead submitted through the 'WhatsApp' messaging application, which lacks proper documentation. Furthermore, officers of the technical cadre who are required to visit multiple sites throughout the day do not record their attendance in any movement book at the respective sites.
- The lack of a structured attendance system could make it difficult to verify the actual presence and working hours of officers who are on site.
- However, the HRAO apprised that payroll processing cannot proceed until all attendance discrepancies are resolved in the payroll system. This ensures that payments are based on verified attendance data, reinforcing the need for reliable attendance records.

Recommendation

- ✓ There is a need to implement a formal and reliable attendance recording system for on-site employees including a movement book at all the sites which will help to enhance workforce accountability.

5.0 FINANCIAL MANAGEMENT

5.1 Overview

The Finance Section plays a pivotal role in both the day-to-day and strategic financial management of the NSLD. Its responsibilities encompass the planning, mobilisation, and oversight of financial resources; preparation and execution of budgets; management of recurrent/capital expenditures and effective cash flow administration. In addition, the section is tasked with monitoring financial and risk instruments, ensuring robust accounting practices, and producing timely and accurate financial reports.

A Finance Manager (FM) is the Head of the Finance Section and is assisted by the following officers in the performance of the various financial tasks:

- 1 Senior Finance Officer (deputed from NHDC);
- 2 Assistant Finance Officers (AFO); and
- 2 Accounts Clerk.

5.2 Project Value

The Government's social housing initiative, launched in the 2018-2019 Budget Speech, sets out a multi-phased programme aimed at significantly expanding the national housing project for low-income families.

The programme evolved over successive budget announcements, shifting from low-rise housing developments to high-rise apartment-style configurations, reflecting a broader urbanisation strategy. Procurement approaches also varied, beginning with the adoption of a Build-Operate-Transfer model that placed responsibility for financing, design and construction with private partners.

Subsequent phases further expanded the scale of the programme, underlining Government's long-term commitment to social housing. However, challenges emerged with the introduction of new technical specifications, which significantly increased unit costs. This led to the termination of contracts with appointed Project Monitoring and Control Consultants and prompted NSLD Ltd to explore alternative procurement strategies from 2022 onwards to ensure alignment with budgetary constraints.

Observations

- The Government's social housing programme evolved significantly across successive budget cycles, reflecting changing policy priorities, delivery models and financial constraints. The latest shift in February 2023 marks a change in both design and procurement strategy. This is presented in **Table 27**.

Table 27: Summary of Housing Programme Phases

SN	Financial Year	Estimated Cost (Rs)	Target No. of Units	Estimated Cost per Unit (Rs)	Key Features
1	2018-2019 Budget Speech	12.7 billion	6,800	Around 1.87 million	G+3 buildings; 19 sites and 2-year period
2	2019-2020 Budget Speech	Not Specified	6,000	Not Available	BOT model; 16 sites; high-rise (up to 6 floors); 3-year delivery
3	2020-2021 Budget Speech	12.0 billion	12,000	1.00 million	
4	2022-2023 (PSIP)	12.0 billion	12,000	1.00 million	
5	2023-2024 (PSIP)	17.0 billion	8,000 (Phase 1)	Not Specified	Design & Build model**;** G+2 limit; 400 units per constituency; aligned with NHDC specifications (60m²)

Source: NSLD and PSIP

- The project experienced frequent strategic and delivery model - from SPV-led execution to BOT, followed by engagement of PMCCs and later to design and build.
- While the 2018-2019 budget announcement sets a target of 6,800 units to be delivered within two years, implementation lagged due to late setting up of the SPV. The NSLD was incorporated in May 2019 nearly a year after budget announcement and limited readiness in terms of land acquisition, design standardisation and procurement mechanisms.
- The PMCCs, appointed in 2021, worked on new specifications and brought the estimated cost to Rs 3.5 million. Further to the termination of the contract with the 8 PMCCs in view of containing the price at the stated budget of Rs 2.5 million per housing unit, the NSLD explored other procurement strategies for the implementation of the project in December 2022.
- The overall budget for the NSLD housing project increased from an initial Rs 12 billion for 12,000 units to Rs 17.6 billion for just 8,000 units. This significant change in

estimated value has been a point of contention and scrutiny. Further to the design and build project, it was agreed that each housing unit would cost up to Rs 2.74 million, i.e the final estimated project value increased to Rs 21.92 billion. Associated works amounting to Rs 8.06 billion were being undertaken. Thus, the total project value rose to Rs 29.98 billion. Consequently, the cost of a housing unit increased from Rs 2.74 million to Rs 3.74 million. **Table 28** shows the rise in cost.

Table 28: Cost Structure

SN	Cost Components	Rs M
1	Construction cost	21,920.0
2	Off-site works	5,523.7
3	Acquisition of land	994.0
4	Consultancy	502.9
5	Price adjustment (2% of contract value)	438.4
6	Additional on-site works	158.2
7	Cost of finance of private investors	438.0
	Total Cost	**29,975.2**
	Unit Cost	**3.74**

Source: Technical Unit, NSLD

- For off-site works entailing an expenditure of some Rs 5.3 billion, it could not be ascertained as to whether a proper project planning was conducted. The project database accounted the off-site works as variation to the existing on-site projects. Further to information gathered, a project plan for off-site works was conducted by the previous team.
- An assessment of the cost per housing unit shows that the quote of the housing unit is Rs 2.74 million or lower, except for Kuros Construction Ltd where the average cost per housing unit is Rs 2.76 million. **Table 29** refers.

Table 29: Average Cost per Housing Unit

SN	Contractor	No of Housing Units	Amount Rs	Price per Unit Rs
1	BCEG	1,200	3,287,700,000	2,739,750
2	DLB Co Ltd	750	2,055,000,000	2,740,000
3	Gamma Construction Ltd	600	1,644,000,000	2,740,000
4	General Construction	230	630,200,000	2,740,000
5	Hyvec Partners Ltd	750	2,055,000,000	2,740,000
6	Kuros Construction Solutions Ltd	870	2,404,968,750	2,764,332
7	Ramasawmy & Ramasawmy Co.Ltd	200	548,000,000	2,740,000
8	RBRB Construction Ltd	900	2,452,500,000	2,725,000
9	Rehm Grinaker Co. Ltd	200	548,000,000	2,740,000
10	Square Deal Multipurpose Coorperative Society Ltd	800	2,188,800,000	2,736,000
11	Super Construction Co. Ltd	200	545,000,000	2,725,000
12	Tayelamay & Sons Enterprise Ltd	1,000	2,737,497,524	2,737,498
13	Transinvest	300	822,000,000	2,740,000
	Grand Total	**8,000**	**21,918,666,274**	**2,739,833**

Source: Technical Unit, NSLD

- An assessment of the contract awarded to Kuros construction ltd shows that for sites Tyack and Riambel the cost per housing unit was fixed Rs 2.782 million and Rs 3.20 million i.e higher than Rs 2.74 million. **Table 30** refers.

Table 30: Cost of Housing Unit for Tyack and Riambel

SN	Contractors	Sites	No. of Housing Units	Contract Value Rs	Cost per Unit (Rs)
1	Kuros Construction Solutions Ltd	Balisson Lot 1 &2	400	1,080,650,000.00	2,701,625.00
2	Kuros Construction Solutions Ltd	Tyack	200	556,457,500.00	2,782,287.50
3	Kuros Construction Solutions Ltd	Souillac	200	542,897,500.00	2,714,487.50
4	Kuros Construction Solutions Ltd	Riambel	70	224,963,750.00	3,213,767.86

Source: Technical Unit, NSLD

Recommendations

- ✓ There is a need to strengthen strategic planning. A national housing policy should be developed and endorsed by all key stakeholders. This policy should provide clear delivery frameworks, targets and governance mechanisms to ensure continuity and minimise implementation delays.
- ✓ As the transition from PMCCs to a Design and Build model created significant inconsistencies in specifications and unit costs, it is recommended that a centralised, standardised procurement and design framework be introduced for all future social housing projects. This would enhance value for money, simplify quality control and ensure consistency in housing unit delivery.
- ✓ A Contract Performance Monitoring Committee within NSLD should be tasked with reviewing compliance to cost, quality and delivery targets. Where contractors exceed budgeted cost caps without justification, contractual penalties or renegotiation measures should be considered.

5.3 Financing of Project

The financing structure of the NSLD housing project is largely dependent on Government subsidies, supported by loans raised through the Building Society Fund Ltd and contributions from beneficiaries. Beneficiaries are expected to secure financing mainly through bank loans, facilitated by coordination with financial institutions.

Observations

- Neither the Finance Section nor the Cost Management Unit held precise information on the financing of the entire projects. Requests for access to relevant documents (financial clearance and loan agreement) were made on repetitive occasions, but the NSLD could not provide same for examination purposes.
- As per a brief provided by the Finance Manager, the financing of the construction of 8,000 housing units, inclusive of on-site infrastructural works, has been estimated at Rs 22 billion. The cost of constructing a single housing unit is projected at Rs 2.74 million, whereas the proposed selling price to beneficiaries has been fixed at Rs 975,000 which represents one-third of the actual construction cost. The Government

would provide a subsidy of Rs 14.4 billion, equivalent to two-thirds of the construction cost, through the Covid-19 Project Development Fund (PDF). The remaining financing gap of Rs 7.6 billion would be raised by the Building Society Fund Ltd (BSFL) through investors. This amount would subsequently be reimbursed to BSFL from the proceeds of the sale of the housing units.

- In addition, all off-site works, including the provision of water, electricity, roads, sewerage and drainage infrastructure will be fully financed through the Covid-19 Project Development Fund. The estimated project value for off-site works were not provided.
- Further to facilitating the acquisition of the housing units, beneficiaries would be supported through loan financing from a consortium of banks, including SBM Ltd, Maubank Ltd, MHC Ltd, among others. However, several considerations remain critical to ensure the smooth execution of this arrangement: (i) proper coordination among NSLD, beneficiaries, notaries and banks to ensure timely disbursement of loan proceeds to BSFL; (ii) the establishment of flexible lending conditions for beneficiaries; and (iii) the granting of an exemption from the Borrower's Protection Act 2007.
- According to the Deputy Cost Manager, the total financing for the project amounts to Rs 28.3 billion. A total of Rs 22.3 billion is being provided by the Covid-19 Project Development Fund. Of this, Rs 17 billion is for construction works, while an additional Rs 5.3 billion has been allocated for off-site works. Furthermore, a loan of Rs 6 billion has been secured from the BSFL. As the overall estimated project cost stands at approximately Rs 29.97 billion, the remaining difference of Rs 1.6 billion will be financed through collections from beneficiaries.
- The total project cost amounts to Rs 29,975.2 million. Consequently, beneficiaries would cover one-third of the price adjustment and Government covers two-thirds. This implies that the total Beneficiaries' Contribution (overall) would amount to Rs 7,943.5 million and contribution by each beneficiary would be Rs 993,000. This indicates a high level of Government subsidy per unit, raising questions about the long-term financial sustainability of such a model, particularly if similar housing schemes are to be scaled up in the future.
- One of the options for raising the financing from the beneficiaries that are under consideration involves securing funds through loan proceeds contracted by

beneficiaries. Under this option, Letters of Intent would be issued to eligible beneficiaries to enable them to apply for housing loans from financial institutions. The loan proceeds would then be used to finance the remaining construction works and amount of loans.

For this option to be viable and effective, a number of risks and implementation challenges need to be addressed. One of the main concerns is the need for strong coordination among all stakeholders. Delays in payment could affect project timelines and result in cost overruns. Furthermore, access to credit could be constrained if financial institutions apply strict lending criteria, thereby excluding lower-income applicants.

Recommendations

- ✓ A central financial system should be kept and maintained to track all project costs and funding sources. It is important to implement a robust project management system to monitor progress and prevent the misapplication of funds and all financial reallocations must be formally approved.
- ✓ A clear and approved plan must be developed to address the Rs 6 billion funding shortfall. All necessary financial clearances must be obtained from the Ministry of Finance.
- ✓ The NSLD should establish a multi-stakeholder committee comprising representatives from relevant Ministries, NSLD, financial institutions and social support agencies. The committee would be responsible for co-ordinating with financial institutions, facilitating loan access, advising beneficiaries on available schemes and addressing bottlenecks, thereby ensuring that housing finance remains both accessible and aligned with project objectives.

5.4 Budgeting

A budget is an essential part of financial planning and management. It takes into account income/expenditure and ensures that the organisation has allocated and prioritised resources available and is not left short at the end of each pay check.

The NSLD receives the annual budget circular in February/March, outlining the guidelines and requirements for the preparation of budget estimates, from its parent Ministry for the forthcoming financial year. Upon receipt of the circular, the Finance Manager initiates the budgeting process in consultation with the Managing Director (MD), Project Managers and the Project Cost Manager.

The draft budget estimates are then submitted to the MD for review and thereafter presented to the Finance Committee for further scrutiny and recommendations. Upon endorsement by the Finance Committee, the final budget proposal is submitted to the Board of Directors for approval. Subsequently, the document is submitted to the parent Ministry and after addressing any query from the latter, the budget proposal is then submitted to the Ministry of Finance.

The grants provided to the NSLD to meet its recurrent expenditure for financial years 2019-20 to 2023-24 are presented in **Table 31**.

Table 31: Recurrent Revenue for FYs 2019-20 to 2024-25

SN	Income	2019-20 Rs	2020-21 Rs	2021-22 Rs	2022-23 Rs	2023-24 Rs
1	Grant	-	7,466,986	43,146,203	529,685,897	190,381,833
	Other Income	-	260,000	360,000	3,052,159	8,520,389
2	Total Recurrent Revenue		7,726,986	43,506,203	532,738,056	198,902,222

Source: NSLD Annual Reports and Finance Section

Observations

- The current budgeting process lacks a critical step, which is the preparation of a revised budget to reflect the amount approved by the Ministry of Finance. This omission undermines the ability to monitor actual expenditures against budgeted ones, thus

making it difficult to determine whether overspending or underspending has occurred. Such a situation weakens the overall financial governance and accountability.

- The NSLD is fully funded by government grants disbursed by the Ministry of Housing and Lands to meet its operational and administrative expenses, such as payment of salaries, utilities and advertising.
- Grant received from government has increased from Rs 43.1 million in FY 2021-22 to Rs 529.7 million in FY 2022-23 as a result of an increase in the operations of the NSLD and also payment of fees to the tune of Rs 451.2 million for Project Management Consultancy in Construction for the 12,000 housing units. Further details thereon are provided in chapter 2 (Procurement).
- Other income includes income from shared services in respect of facilities/services provided to the NHDC and receipt from purchase of document for tenders. For the FY 2023-24, an amount of Rs 3.7 million was received from NHDC for parking, rental of building at Ebene Heights and electricity, among others.
- An Annual Grant Memorandum containing details such as the amount of grant approved for the financial year, purpose and conditions of the grant, output and indicators was signed between NSLD and its parent Ministry. On a monthly basis NSLD requests funding from the parent Ministry by way of an application for grant disbursement.
- Financial Instruction No. 2 of 2014 of the Ministry of Finance, on Administration of Grants, requires that all applications for disbursement of grants shall be supported by relevant documents including both financial and non-financial data, such as:
    - a revised estimate of expenditure and revenue for the fiscal year;
    - cash flow statement for last 12 months;
    - cash flow forecast for the period to the end of the fiscal year;
    - bank statements showing bank balances in respect of all bank accounts held by the recipient organisation; and
    - a progress report on delivery of outputs/services.

- However, it is the current practice of the NSLD to submit the application for the disbursement of funds to the parent Ministry with only the four supporting documents specified in Financial Instruction No. 2 of 2014, excluding the revised estimates of expenditure and revenue for the fiscal year.

Recommendations

- ✓ Following funds approved by the Ministry of Finance, the NSLD should come up with a revised budget. The updated expenditure estimate should be submitted to the Finance Committee and the Board for approval and it should serve as the baseline for monitoring expenditure. Implementing this step will enhance budgetary control, improve transparency and help in detecting over/under spending of the various items.
- ✓ It is essential to establish a formal budget monitoring mechanism, supported by routine monthly or quarterly reviews. This process should be guided by clear roles and responsibilities assigned to finance staff and Project Cost Managers.
- ✓ Regular variance analyses should be conducted to identify deviations from the budget, with clear explanations provided for significant over- or under-spending. These analyses should be reviewed by senior management to enable timely corrective actions.
- ✓ To reinforce budgetary control, internal oversight mechanisms must also be strengthened. This includes ensuring compliance with financial regulations, limiting unauthorised expenditures and classifying expenses correctly.
- ✓ Management review meetings should be held on a monthly basis to assess budget performance, identify risks and agree on appropriate corrective actions. Where under-utilisation of funds is detected, timely reallocation to priority areas should be considered to enhance budget efficiency and reduce the likelihood of unspent balances at year-end.
- ✓ The NSLD, while submitting the application for disbursement of funds to the parent Ministry, should also provide the revised estimate of expenditure and revenue for the fiscal year.

5.5 Recurrent Expenditure

5.5.1 Procedure over Disbursement

The system over payroll and other charges were verified for adequacy of internal controls. These were noted to be satisfactory as outlined below.

- **Salaries:** The Human Resource Section submits letter of appointment of staff joining the company and list of leavers to the Finance Section. The latter processes the payroll on the Sage Payroll software and after verification of the deductions, the payroll is submitted to the Finance Manager and the Human Resource and Administrative Officer (HRAO) for finalisation. A salary reconciliation is also performed by the Finance Section which is verified by the HRAO and approved by GM. The payroll is then approved by the CEO and the Chairperson of the Board.
- ***Payment Process:*** The Head of Procurement submits the Purchase Order to the Finance Section. The Accounts Clerk verifies it against the supplier's invoice and agreement with supplier where applicable and subsequently prepares the Payment Instruction. The Payment Instruction is approved by the CEO and the Chairperson of the Board.

  Payment details attached to the Payment Instruction are prepared by the Accounts Clerk, checked by the Trainee (Administration) posted in the Finance Section and an Assistant Finance Officer and thereafter examined by the Finance Manager.

A sample examination for processing of salaries and purchase orders was conducted and this was noted to be satisfactory and in accordance with established procedures.

5.5.2 Analysis of Payment

The recurrent expenditures of NSLD include mostly staff costs, administrative expenses and costs relating to NSLD events. **Table 32** refers.

Table 32: Analysis of Costs

	FY 2019-20 (unaudited)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Rs	Rs	Rs	Rs	Rs
Project Expenses					
Consultancy Services (including TDS)	-	-	13,483,510	451,261,894	38,172,116
Employees' Benefit Expenses					
Wages and salaries	183,636	669,316	10,713,012	40,313,100	110,345,121
Social Guarantee costs and other staff costs	-	-	5,468,983	9,780,057	10,361,805
Depreciation and Amortisation					
Depreciation and Amortisation of Assets	-	1,381,529	2,947,571	7,613,007	7,058,407
Other Operating Expenses					
Bid evaluation fees	-	-	1,271,236	682,550	218,000
IT Expenses	-	136,395	67,760	270,135	590,083
Audit fees	-	172,500	189,750	218,500	775,100
License and permit	3,400	530	181,650	524,827	804,495
Printing, Postage and Stationery	-	66,058	522,216	821,434	1,787,951
Professional fees	117,411	327,882	2,264,884	2,688,500	2,481,250
Utility expenses	-	284,013	953,173	2,654,339	3,053,108
Director fees	-	3,659,984	3,383,000	3,942,000	3,418,500
Advertising and publicity	41,573	486,963	784,019	2,304,070	7,441,149
Other expenses	8,910	69,925	893,115	9,025,565	11,989,417
Finance Cost					
Interest on lease	-	471,891	382,323	638,079	405,721
Total	**354,930**	**7,726,986**	**43,506,202**	**532,738,057**	**198,902,223**

Source: Annual Reports and Finance Section, NSLD

Observations

- ***Budget Monitoring***: As previously mentioned, the Finance Section does not prepare a revised budget to reflect the amount approved by the Ministry of Finance. Thus, it could not be determined whether there have been over/under budgeting of the various items of expenditure.

- ***Consultancy Services***: Project expenses associated with Consultancy Services (including TDS) rose dramatically in FY 2022-23 to Rs 451.3 million, compared to Rs 13.5 million in FY 2021-22. The expenditure significantly declined to Rs 38.2 million in the FY 2023-24 due to the termination of the PMCCS contract.
- ***Employee Benefit Expenses***: There was a substantial and consistent rise in wages and salaries, from Rs 183,636 in FY 2019/20 to Rs 110.3 million in FY 2023-24. This was accompanied by increasing social Guarantee and staff-related costs, reaching Rs 10.4 million in the latest year. The trend indicates ongoing organisational expansion, capacity building, and a shift towards internal resource mobilisation.
- ***Depreciation and Amortisation***: The expenditure increased from Rs 1.4 million in FY 2020-21 to over Rs 7 million annually in FYs 2022-23 and 2023-24. This trend reflects the acquisition and commissioning of fixed assets, indicating the development of physical and technological infrastructure to support operational needs.
- ***Allowances for Use of Personal Equipment***: On 15 July 2024, pending a final decision regarding the purchase of the specialised equipment (Teria Pyx GPS for land surveying) which was estimated at approximately Rs 750,000, the Board approved a monthly equipment allowance of Rs l5,000 to the Land Surveyor. The allowance was intended to cover the use of his personal equipment to efficiently carry out his duties at the NSLD. The allowance was initially approved for a period of four months and subsequently extended. To date, a total amount of Rs 165,000 had already been paid to the Land Surveyor under this arrangement.

  The NSLD had not conducted a cost-benefit analysis to determine whether it would be more beneficial for the company to acquire the land surveying equipment or to effect the monthly payment of Rs 15,000 to the Land Surveyor. Additionally, without evaluating the volume of work required from the Land Surveyor and comparing the cost of renting versus purchasing the equipment, it could not be determined whether the monthly allowance of Rs 15,000 is reasonable.

- ***License and Permit***: The license and permit expenses include fees paid for renewal of trade license, TV licenses, Convene Licence paid to the Company Secretary, software licences such as Adobe Acrobat Reader, Sage Payroll, AutoCAD and Architecture, Engineering & Construction (AEC) Collection. Expenses under this category increased from Rs 181,650 in FY 2021-22 to Rs 524,827 in FY 2022-23 mainly due to an amount

of Rs 279,795 paid for two Autocad licenses and AEC Collection Annual Subscription. This expenditure further increased to Rs 804,495 as a result of an increase in the number of AutoCAD users.

- ***Printing, Postage and Stationery***: Expenditure on printing, postage and stationery rose from Rs 522,216 in FY 2021-22 to Rs 821,434 in FY 2022-23 and further increased to Rs 1,787,951 in FY 2023-24. The increase in costs is primarily attributed to the commencement of the Company's operations as well as expenses expenses associated with printing tender documents, amongst others.
- ***Professional Fees***: Professional fees incurred ranged between Rs 2.2 million and Rs 2.6 million over FYs 2021-22 to 2023-24. These include annual payments of Rs 1.0 million to the Company Secretary, as well as fees paid to NSLD's legal advisor and for advisory services related to the International Federation of Consulting Engineers (FIDIC).
- ***Utility Expenses***: The significant increase in utility bills in FYs 2022-23 and 2023-24 is mainly due to the expansion of operations and an increasing workforce associated with the implementation of the construction project. A substantial portion of these expenses relates to the services provided by Mauritius Telecom, averaging approximately Rs 2 million annually which includes monthly charges for telephone rental, Microsoft licenses and cloud services.
- ***Director Fees***: The directors' remuneration is approved by the Shareholders and is paid as per the Circular note No. 54 of 2022 issued by the Ministry of Public Service and Administrative Reforms.
- ***Advertising and Publicity***: The item 'advertising and publicity' includes advertisement for invitation for bid exercises in newspapers as well as expenditure incurred for events such as ground-breaking ceremonies of the NSLD housing units.

  The expenditure increased from Rs 0.5 million in FY 2020-21 to Rs 0.8 million in FY 2021-22, before escalating significantly to Rs 2.3 million and Rs 7.4 million in FYs 2022-23 and 2023-24, respectively. The increase in FY 2022-23 includes approximately Rs 1.2 million related to expenses incurred for the invitation to bids.

  The ground-breaking ceremonies were held at the various sites. During the FY 2023-24, an amount of Rs 7 million was disbursed on catering services,

videography/photography, sound system, flower arrangements, room/marquees rental, among others.

- ***Other Expenses***: Other expenses increased from Rs 0.9 million in FY 2021-22 to Rs 9 million in FY 2022-23 and subsequently to Rs 12 million in FY 2023-24. The increase is mostly due to an amount of Rs 7.3 million paid for rental of office space and Rs 1.5 million as motor vehicle expenses. It is to be noted that in FY 2021-22, the NSLD was not fully operational and hence no expenses were incurred in respect of office space and motor vehicle expenses.

Recommendations

- ✓ The NSLD should adopt a structured decision-making process by preparing a cost-benefit analysis comparing the one-time purchase of the specialised equipment versus the cumulative monthly allowance being paid. The analysis should also consider the expected lifespan and usage rate of the equipment and associated maintenance costs. Conducting cost-benefit analyses before committing to financial arrangements or asset acquisitions will ensure value for money.

5.6 Capital Expenditure

5.6.1 Analysis of Payment

A review was undertaken of the amounts certified for payments across 36 sites awarded to 13 different contractors. The analysis provides insights into the financial progress and contractual status of the housing units under Phase 1 of the NSLD programme as at 19 June 2025. **Annex 9** refers.

Observations

- Similar to the recurrent budget, no revised budget is prepared for capital expenditure. In the absence of such a mechanism, effective monitoring is lacking, particularly given the significant cost variations noted across projects. Furthermore, changes in project values are not systematically reflected in an approved revised budget, thereby weakening financial oversight and increasing the risk of both overspending and underspending in the management of capital expenditure.

- A sample of payment certificates was examined to verify computation, authorisation, approval and joint site progress. For contractor Rehm Grinaker Construction Ltd IPC 16, IPC 17, and IPC 18 were examined and noted to be satisfactory.
- A significant level of control was observed both at the level of the internal project management team and the contractors.This is as follows:

  Initially, joint site progress assessments were conducted by a Project Assistant (Quantity Surveyor – QS), a Project Assistant (Engineering – Eng.), and a contractor's representative.

  Three Project Assistants (QS, Eng., and MEP) assess sites progress, which are then verified by three Project Officers (QS, Eng., and MEP Eng.) and two Project Managers (MEP and Eng).

  The amount payable is prepared by the PA (QS), verified by the PO (QS), then certified by the Deputy Project Control Manager (DPCM), and finally approved by the Project Control Manager (PCM).

- The total original contract value across all projects amounted to approximately Rs 21.91 billion. Approved variation orders and adjustments for the Cost Price Index (CPI) further increased the contract value by Rs 585.01 million and Rs 392.15 million respectively, resulting in an actualised total contract amount of Rs 22.87 billion.
- As at July 2025, the total amount certified for payment stood at Rs 17.85 billion, representing 78% of the actualised contract value. The estimated cost to complete the remaining works across all sites is Rs 5.04 billion.
- Full certification was achieved for projects at Riche Terre 2 and Camp Levieux, executed by RGCL Ltd and Super Construction Ltd respectively. Similarly, progress of over 90% was observed on projects carried out by Gamma Construction Co. Ltd at Pointe Aux Piments and by RBRB Construction Ltd at Puspass.
- Variations were noted on contracts such as for Goodlands site (Square Deal Multipurpose) amounting to Rs 106 million and Quatre Cocos (Tayelemay and Sons Enterprise Ltd) totaling Rs 98.5 million. CPI adjustments were also noteworthy, with projects like Notre Dames (Gamma Construction Ltd) and L'Esperence Trebuchet (Square Deal Multipurpose Ltd) recording adjustments of some Rs 21 million each.

- Moreover, a few projects still require high cost to completion, despite considerable sums already certified. This includes Ballison Lot 1, Cote D'or, Henrietta 1, and Bel Air, all of which exceed Rs 100 million as remaining expenditure.

Recommendations

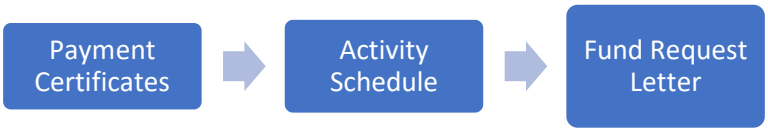
While many projects have shown steady progress and are on track, the overall analysis reveals disparities in contract performance and certification levels.

- ✓ For effective monitoring and control of the capital budget and expenditure the Finance Section should prepare a revised budget on new project values and actual disbursements to contractors.
- ✓ The Rs 5.04 billion outstanding commitment indicates the need for strong financial control, timely disbursements and tighter oversight over contractors with lagging performance.
- ✓ Further, attention should be given to variation approvals, contractor delays, and cost escalations to ensure the housing programme is delivered within budget and according to schedule.

5.6.2 Application for Fund

Application for funds from the COVID-19 Project Development Fund (PDF) follows a 3 staged process with focus on internal control, timely processing and financial verification. This is illustrated in **Figure 7**.

Figure 7: Procedure for Application for Fund



Source: Finance Section

- **Valuation and Certification Process**: All documents must be duly signed by the Project Manager and the Quantity Surveying team, comprising the Project Assistant, Project Officer, Deputy Project Cost Manager and Project Cost Manager. The

corresponding Interim Payment Certificate (IPC) is then reviewed and signed by the General Manager, QS Team, DPCM and PCM.

- **Preparation and Verification of Activity Schedule**: The activity schedule is prepared by the QS team and subsequently verified by the Finance team to ensure alignment with contractual and financial obligations.
- **Fund Request Letter**
    - **Preparation and Approval of Fund Request Letter**: A letter requesting disbursement of funds from the Covid-19 Project Development Fund is issued to the Ministry of Finance. The request is accompanied by various documents. The request is prepared by the the Accounts Clerk, verified by the Senior Finance Officer and approved by the Finance Manager.
    - **Timely Submission of Fund Requests**: It is essential that all fund requests are prepared and submitted within the required time frame.
    - **Claims Submission Timeline**: Claims must be submitted for processing within seven (7) days from the date of receipt of the claim from the QS Team, ensuring timely disbursement and adherence to financial schedules.

Observations

- An assessment of payment practices under NSLD's housing projects revealed instances of delayed payments to contractors, which pose significant financial and contractual risks to the organisation. This was attributed to delays being incurred for approval and release of funds at the level of the Covid-19 Project Development Fund.
- An analysis was conducted on the timeliness of payments made to contractors under a few housing project sites. **Table 33** refers.

Table 33: Analysis of Delays in Payments to Contractors

SN	Contractor	Site	Remarks	IPC No.	Amount (Rs)
1	Gamma Construction Ltd	Pointes Aux Piments	Of 17 payment certificates, delays were incurred on 4 occasions. The delays range from 1 to 76 days.	13, 14, 15 and 16	45 M, 24 M, 66 M, and 27 M
2	Gamma Construction Ltd	Notre Dame	Of 17 payment certificates, delays were incurred on 8 occasions. The delays range from 1 to 25 days.	10, 11, 12, 13,14, 15, 16 and 17	76 M, 78 M, 88 M, 67 M, 20 M, 77 M, 65 M and 0.3 M
3	Ramasawmy & Ramasawmy Co Ltd	Mare D'Albert	Of 21 payment certificates, delays were encountered in 2 cases. The delays range between 1 to 8 days.	16 and 19	11 M and 15 M
4	Beijing Construction Engineering Group Co Ltd	Henrietta 3	Of 9 payment certificates, delays occurred in 2 cases. The delay ranges between 3 and 387 days.	7 and 9	29 M & 30 M
5	Beijing Construction Engineering Group Co Ltd	Camp Le Juge	Of 5 payment certificates, delay was encountered in 1 case. The delay was for a period of 386 days	4	163 M
6	Beijing Construction Engineering Group Co Ltd	Valetta	Of 8 payment certificates, delays were encountered in 3 cases. The delay ranges between 1 and 21 days	4,5 and 7	17 M, 26 M and 86 M

Source: Finance Section, NSLD

- According to the contract, the NSLD is contractually bound to make interim payments to the Contractor within a specified period (28 days) following certification by the Engineer or Project Manager. Failure to adhere to this timeline constitutes a breach of contract.

  In the event of late payment, the Contractor is entitled to receive interest on the unpaid amount, calculated from the date when the payment was due until the actual date of payment. These financial penalties, though avoidable, can accumulate significantly across multiple delayed payments.

  As per information obtained at the level of the Project Cost Manager, it was understood that the NSLD is facing the risks of payments of interest above Rs 2 million due to delays in effecting payments.

Recommendations

- ✓ It may be appropriate to establish an Imprest Account at the NSLD, to be replenished from the Covid-19 Project Development Fund, to facilitate the timely management and payment of contractors. The Imprest amount should be determined based on projected monthly disbursements, ensuring it remains at a minimum level necessary to meet payment obligations efficiently.
- ✓ The NSLD should also strengthen its internal controls and cash flow planning mechanisms to ensure strict compliance with payment deadlines.
- ✓ Where delays are unavoidable, the NSLD should proactively engage with contractors to negotiate temporary arrangements and avoid triggering formal claims or suspension clauses.

6.0 CONCLUSION

In conclusion, the audit has shown that while the NSLD was established with a clear mandate to accelerate the Government's social housing programme, weaknesses have undermined its effectiveness. The frequent changes in delivery models, inadequate procurement planning, and fragmented oversight have resulted in costs escalation, significant delays, and uneven contractors' performance, with several projects remaining incomplete or undeliverable due to gaps in off-site works and utilities.

Governance lapses, such as the absence of a Procurement Committee, inadequate segregation of duties, weak human resource practices, and insufficient financial transparency have further exposed NSLD to operational and reputational risks. The escalating unit costs and heavy reliance on Government subsidies raise questions on long-term affordability and sustainability, while deficiencies in land acquisition and planning highlight the absence of a coordinated national framework for future development.

Moving forward, the NSLD and its parent Ministry must implement robust corrective measures to restore confidence in the programme and safeguard public funds. This requires strict compliance with procurement laws, the establishment of standardised housing designs, and stronger oversight of contract performance, variations and financial management. Institutional reforms in governance, human resources and accountability mechanisms are equally essential to ensure merit-based recruitment, transparent allowance structures and effective monitoring of staff performance.

A centralised financial and project management system, combined with a formalised registry of land and permits, will provide the necessary structure to improve planning, control and reporting. Most importantly, the success of the housing programme hinges on the adoption of a coherent national housing policy that clearly defines delivery targets, ensures affordability for low- and middle-income households and strengthens inter-agency coordination for land, infrastructure and utilities. The NSLD can fully align with Government's vision to ensure every Mauritian family has access to safe, affordable and sustainable housing only through the implementation of these reforms.

7.0 WAY FORWARD

To address the several problems facing the NSLD, a Committee has to be instituted at the level of the parent Ministry to examine the findings and recommendations of this Report for implementation purposes.

16 February 2026

Annex 1 List of Informal Quotations entailing formal tender procedures

Tattoo Catering Services			
Payment Voucher	**2022-23**	**2023-24**	**Grand Total**
PV 645/07		144,300.00	144,300.00
PV 685/07		144,300.00	144,300.00
PV 721/08		180,000.00	180,000.00
PV 735/08		144,300.00	144,300.00
PV 763/09		166,925.00	166,925.00
PV 786/09		171,450.00	171,450.00
PV 801/09		191,450.00	191,450.00
PV 888/12		226,500.00	226,500.00
PV 941/01		62,100.00	62,100.00
PV1044/03		141,950.00	141,950.00
PV1069/03		36,500.00	36,500.00
PV1107/04		372,450.00	372,450.00
PV1153/05		94,271.25	94,271.25
PV1162/05		151,685.00	151,685.00
PV985/02		158,940.00	158,940.00
PV997/02		97,000.00	97,000.00
Tattoo Catering Services Ltd	**212,250.00**		**212,250.00**
PV221/07	104,125.00		104,125.00
PV283/09	104,125.00		104,125.00
PV376/11	4,000.00		4,000.00
Grand Total	**212,250.00**	**2,484,121.25**	**2,696,371.25**

Yash Sound System Ltd			
Payment Voucher	**2022-23**	**2023-24**	**Grand Total**
PV 587/05	92,000		92,000
PV 648/07		97,200	97,200
PV 708/08		207,700	207,700
PV 741/08		93,500	93,500
PV 774/09		101,200	101,200
PV 812/10		205,200	205,200
PV 910/12		103,100	103,100
PV 960/01		24,500	24,500
PV1015/02		99,000	99,000
PV1025/03		110,500	110,500
PV1090/04		121,700	121,700
PV1106/04		131,300	131,300
PV1154/05		94,500	94,500
PV1166/05		103,200	103,200
PV224/07	100,000		100,000
PV298/09	24,000		24,000
Grand Total	**216,000**	**1492600**	**1,708,600**

Annex 2-List of Cancelled Procurement Exercises for Goods and Services

SN	Date	Procurement Reference	Goods/Services Concerned	Procurement Method	Reason for Cancellation / Not Award
1	16 Oct 2023	RFP/10-2023/02	Consultancy Services for FIDIC Contract & Claim Specialist	Request for Proposal (RFP)	No responsive bid received
2	01 Nov 2023	RFQ/11-2023/0	Internal Audit Services	Request for Quotation (RFQ)	Not awarded – proposals did not meet technical/financial criteria
3	07 Mar 2024	N/A	Landscape Architecture for Housing Project	Expression of Interest (EOI)	No award – none of the firms were selected
4	05 Apr 2024	NSLD/RFQ/04/2024/002	GNSS Equipment for Land Surveying	Request for Quotation (RFQ)	No award – likely due to technical non-compliance or cost
5	05 Apr 2024	NSLD/RFQ/04/2024/003	Total Station Equipment with Accessories and Training	Request for Quotation (RFQ)	No award – similar issues as above

Annex 3 - Payments to Project Management Consultants in Construction

Joint Venture (JV)	JV PIXEL-ATI	Hooloomann & Associates Ltd c/o RLB Hooloomann	BVBS Housing JV	COSMOS-E VVYAASS	JV Housing ZCY	Etwaro & GIBB (Mauritius) Ltd Joint Venture	Comete International Desai & Associates JV	Keystone/ Profica JV	Total
Feasibility Studies	5,748,600	11,700,000	11,823,671	9,165,275	11,692,138	11,987,856	11,914,860	11,024,568	85,056,968
Tender Design	-	17,550,000	16,848,732	12,235,642	17,538,208	17,981,784	17,872,290	16,371,482	116,398,138
Specs of Works	858,000	5,850,000	5,911,836	4,216,027	5,846,069	5,993,928	5,957,430	5,512,284	40,145,574
BOQ	858,000	5,850,000	5,911,836	2,932,888	5,846,069	5,993,928	4,468,073	5,512,284	37,373,077
Tender Docs	-	2,223,000	1,891,787	1,374,791	2,338,428	2,397,571	1,787,229	2,204,913	14,217,719
Bid Evaluation	-	1,053,000	709,420	-	1,543,362	-	500,424	-	3,806,206
Construction Supervision	-	13,169,300	-	-	-	-	-	-	13,169,300
Services Rendered Fully	-	636,802	4,607,375	1,347,000	771,000	1,638,000	257,320	2,125,714	11,383,211
Additional works	-	2,885,860	3,517,157	-	7,929,250	10,644,912	13,183,045	1,713,700	39,873,923
Sunk costs	-	2,290,214	2,958,002	1,456,156	771,000	1,725,740	1,201,665	860,805	11,263,582
Loss of Profit	-	9,607,572	11,541,560	10,023,090	10,343,310	12,076,395	9,774,610	11,009,249	74,375,786
Geotechnical Investigations	4,331,214	2,136,872	10,165,754	6,023,200	2,588,070	13,751,365	9,104,266	1,585,977	49,686,717

Joint Venture (JV)	JV PIXEL-ATI	Hooloomann & Associates Ltd c/o RLB Hooloomann	BVBS Housing JV	COSMOS-E VVYAASS	JV Housing ZCY	Etwaro & GIBB (Mauritius) Ltd Joint Venture	Comete Internationa l Desai & Associates JV	Keystone/ Profica JV	Total
Total	**11,795,814**	**74,952,620**	**75,887,129**	**48,774,069**	**67,206,904**	**84,191,479**	**76,021,211**	**57,920,976**	**496,750,201**
Awarded amount	90,300,000	121,500,000	122,736,713	96,152,750	121,421,384	124,378,560	123,648,600	119,245,675	919,383,682
Amount paid (%)	**13%**	**62%**	**62%**	**51%**	**55%**	**68%**	**61%**	**49%**	**54%**

Annex 4-Form FIN 2-Schedule of Payment

New Social Living Development Ltd

Form FIN 2 - Schedule of Payments

The Schedule is based on the completion of works at different stages namely at Feasibility, Design & Construction Stage of the Consultancy Project and stated as a percentage of Total Fixed Lump Sum quoted on Form Fin-1 or in case of negotiations thereafter the Fixed Lump Sum Fees as agreed and stated in the letter of award of the Contract for the Consultancy.

Retention money at the rate of 5% of scheduled payment shall be retained and released on issuing of Final Completion Certificate and compliance certificate, signed by the Consultant, key professionals and any team members as so required.

I. Design Stage - 40% of Completion

Completion and submission of final deliverables (Consultant to make provision for drafts and proposals in the fixed lump sum, as same would not be paid under these items):-	Indicative Item	Cumulative *
(a) at Feasibility Study & Budget Estimate etc.	10%	10%
(b) at Tender Design /Drawings etc.	15%	25%
(c) at Specifications of Works etc.	5%	30%
(d) BOQ complete for one for each site	5%	35%
(e) Tender Documents including Launching of Tenders etc.	2%	37%
(f) Technical Assistance to Bid Evaluation Committee in the Evaluation of RFP received. Preparation and submission of draft letters of award of different construction contracts etc. Prepare and submit complete set, in two copies, of the contract document for signature of Contract Agreement.	3%	40%

II. Construction Stage – 60% of Completion

For Supervision based on last valuation agreed by NSLD Ltd:	Indicative Item	Cumulative
a) Monthly payment related to portion of the construction works as valued & certified for the different construction contracts until the completion of works at the handing over	52%	92%*
b) End of Project and Contract Management period, supervision of works and submission of all deliverables at completion of the project.	5%	97%*
c) On completion of Final accounts two weeks after handing over	3%	100%*
d) Release of Retention on issuing as Final Completion Certificates of construction contract and Defects/Maintenance Liability Period	5%	-

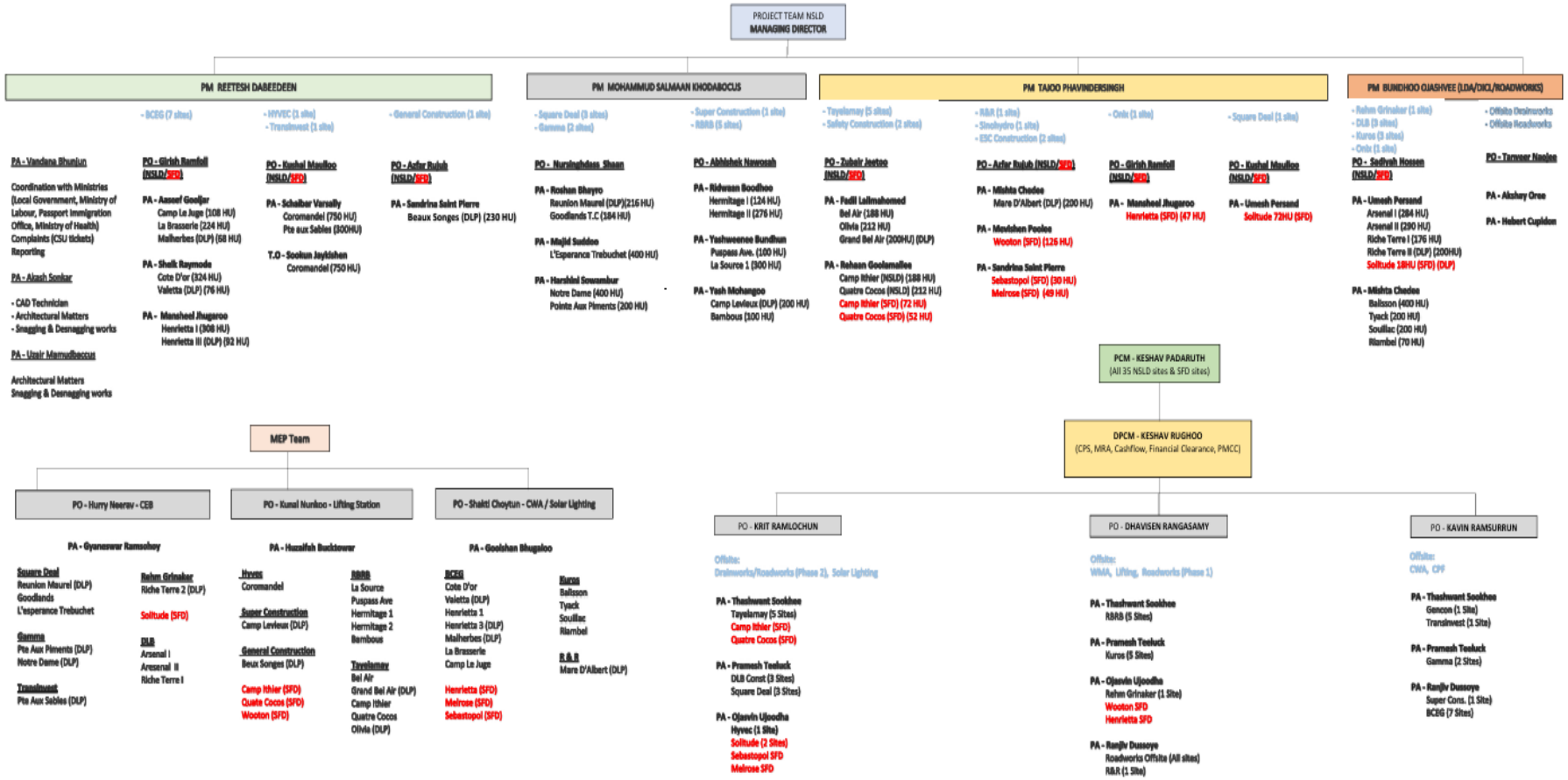
Note: * subject to 5% retention to be released as stated in II(d).

Annex 5-Types of Housing Apartments

S.No	Contractor	Types of Apartment
1	BCEG	17 Blocks G+1 Apartments (4 units/block)
		19 Blocks G+1 Apartments (4 units/block)
		23 Blocks G+1 Apartments (4 units/block)
		27 Blocks G+1 Apartments (4 units/block)
		56 Blocks G+1 Apartments (4 units/block)
		77 Blocks G+1 Apartments (4 units/block)
		81 Blocks G+1 Apartments (4 units/block)
2	DLB Co Ltd	Individual Cluster of 4 G+1
		Individual Cluster of 4 G+1 & Individual Cluster of 2 G + 1
3	Gamma Construction Ltd	Individual Row type G+1
4	General Construction	7 Blocks (G+2) Apartment (30 Units/Block) & 1 Block (G+1) (20 units/Block)
5	Hyvec Partners Ltd	Individual Row type G+1
6	Kuros Construction Solutions Ltd	37 Blocks G+1 (3-8 units/Blocks)
	-	38 Blocks G+1 (4-6 units/Blocks)
		39 Blocks G+1 (4-6 units/Blocks)
7	Ramasawmy & Ramasawmy Co.Ltd	29 Blocks G+1 (2-8 Blocks)
8	RBRB Construction Ltd	Mix Row Apartment G+1 (6-16 units/block) and Individual row type G only
		Row Apartment G+1 (4-16 units/block)
		Row Apartment G+1 (6-14 units/block)
		Row Apartment G+1 (8-16 units/block)
		Row type G only
9	Rehm Grinaker Co. Ltd	Apartment 4 units per block G+1

S.No	Contractor	Types of Apartment
10	Square Deal Multipurpose Coorperative Society Ltd	Individual Row type G+1
11	Super Construction Co. Ltd	16 blocks Apartment G+2 (12 units/block) 2 blocks Apartment G+1 (4 units/block)
12	Tayelamay & Sons Enterprise Ltd	34 Blocks G only (4-6 units/blocks)
		35 Blocks G only (4-6 units/ blocks)
		41 Blocks G only (1-6 units/ blocks)
		41 Blocks G only (1-6 units/Blocks)
		43 Blocks G+1 (2-6 units/Blocks)
13	Transinvest	Apartment 36 units per block G+2 & 24 units of G + 2

Annex 6- Organigram for Project management Team



Annex 7-Analysis of Project Status

S.No	Contractors	Sites	No. of Housing Units	Contract Value RS	Commencement Date	Completion Date (As per Contract)	Remarks
1	DLB Co Ltd	Arsenal 1 (Opp Govt School)	284	778,160,000.00	07-Aug-23	22-Jul-25	Delayed
2	DLB Co Ltd	Arsenal 2 (Opp Pépinière)	290	794,600,000.00	07-Aug-23	08-Oct-25	On track
3	DLB Co Ltd	Riche Terre 1 (Opp Jinfei Eden Garden)	176	482,240,000.00	07-Aug-23	10-Dec-24	On track
4	Rehm Grinaker Co. Ltd	Riche Terre 2 (Opp Port Chambly)	200	548,000,000.00	02-Aug-23	23-Dec-24	Completed
5	Kuros Construction Solutions Ltd	Balisson Lot 1 &2	400	1,080,650,000.00	24-Jul-23	31-Mar-25	Delayed
7	Kuros Construction Solutions Ltd	Tyack	200	556,457,500.00	21-Apr-23	31-Dec-24	Delayed
8	Kuros Construction Solutions Ltd	Souillac	200	542,897,500.00	21-Apr-23	31-Jul-24	Delayed
9	Kuros Construction Solutions Ltd	Riambel	70	224,963,750.00	BLUP date		-
10	Gamma Construction Ltd	Notre Dame	400	1,096,000,000.00	31-Aug-23	21-Jan-25	Completed
11	Gamma Construction Ltd	Pointe Aux Piments	200	548,000,000.00	22-May-23	12-Oct-24	Completed
12	Square Deal Multipurpose Coorperative Society Ltd	Reunion Maurel	216	590,976,000.00	02-May-23	22-Sept-24	Completed
13	Square Deal Multipurpose Coorperative Society Ltd	Goodlands (Traffic Centre)	184	503,424,000.00	31-Aug-23	21-Jan-25	Delayed
14	Square Deal Multipurpose Coorperative Society Ltd	L'Esperance Trebuchet	400	1,094,400,000.00	02-May-23	21-Dec-24	Delayed
15	RBRB Construction Ltd	Bambous	100	272,500,000.00	21-Apr-23	31-Jul-24	On track

S.No	Contractors	Sites	No. of Housing Units	Contract Value RS	Commencement Date	Completion Date (As per Contract)	Remarks
16	RBRB Construction Ltd	Hermitage 1 (Behind Bus Terminal)	124	337,900,000.00	21-Apr-23	31-Jul-24	On track
17	RBRB Construction Ltd	Hermitage 2 (Adj to La Digue)	276	752,100,000.00	21-Apr-23	30-Jun-25	On track
18	RBRB Construction Ltd	La Source – Lot 1 to Lot 6, Lot 9	300	817,500,000.00	21-Apr-23	30-Jun-25	On track
19	RBRB Construction Ltd	La Source Avenue Puspass	100	272,500,000.00	21-Apr-23	31-Jul-24	On track
20	Super Construction Co. Ltd	Camp Levieux	200	545,000,000.00	21-Apr-23	03-Oct-24	Completed (Off-site works in progress)
21	Transinvest	Pointe Aux Sables	300	822,000,000.00	06-Jun-23	25-Feb-25	Completed
22	Hyvec Partners Ltd	Coromandel	750	2,055,000,000.00	03-Jul-23	21-Feb-25	Delayed
23	BCEG	Valetta	76	208,221,000.00	31-Aug-23	31-Jul-24	Completed
24	BCEG	Cote D'Or	324	887,679,000.00	31-Aug-23	31-Mar-25	Delayed
25	BCEG	Henrietta 1 (Adj Rivulet Augustin)	308	848,303,791.00	28-Apr-23	31-Mar-25	Delayed
26	BCEG	Henrietta 3 (Behind NHDC)	92	247,665,136.50	28-Apr-23	31-Jul-24	Completed
27	BCEG	Malherbes	68	178,727,510.00	28-Apr-23	31-Jul-24	Lifting Station completed - Testing & Commissioning in progress
28	BCEG	La Brasserie	224	612,237,935.50	28-Apr-23	31-Jan-25	On track
29	BCEG	Camp Le Juge	108	304,865,627.00	28-Apr-23	31-Dec-24	On track
30	General Construction	Beaux Songes	230	630,200,000.00	12-May-23	01-Nov-24	Completed. Desnagging in progress. Off-site Roadworks in progress
31	Tayelamay & Sons Enterprise Ltd	Camp Ithier	188	514,413,836.48	02-Aug-23	31-Mar-25	Delayed
32	Tayelamay & Sons Enterprise Ltd	Quatre Cocos	212	580,083,687.95	02-Aug-23	15-Jun-25	Delayed
33	Tayelamay & Sons Enterprise Ltd	Bel Air	188	508,000,000.00	21-Apr-23	31-Mar-25	Delayed

S.No	Contractors	Sites	No. of Housing Units	Contract Value RS	Commencement Date	Completion Date (As per Contract)	Remarks
34	Tayelamay & Sons Enterprise Ltd	Olivia	212	595,000,000.00	21-Apr-23	30-Sept-24	Completed. Off-site drainworks pending
35	Tayelamay & Sons Enterprise Ltd	Grand Bel Air	200	540,000,000.00	21-Apr-23	30-Sept-24	Completed
36	Ramasawmy & Ramasawmy Co.Ltd	Mare D'Albert	200	548,000,000.00	28-Apr-23	18-Sept-24	Completed

Annex 8-On Site and Off-site Variation %

S.No	Contractors	Sites	No. of Housing Units	Contract Value RS	Approved on-site Variation (Rs)	Approved off-site Variation (Rs)	% On-site Variation	% Off-site Variation
1	DLB Co Ltd	Arsenal 1 (Opp Govt School)	284	778,160,000	77,574,077	35,870,039	10.0%	4.6%
2	DLB Co Ltd	Arsenal 2 (Opp Pépinière)	290	794,600,000	36,012,819	-	4.5%	
3	DLB Co Ltd	Riche Terre 1 (Opp Jinfei Eden Garden)	176	482,240,000	13,263,635	600,000	2.8%	0.1%
4	Rehm Grinaker Co. Ltd	Riche Terre 2 (Opp Port Chambly)	200	548,000,000	30,683,614	632,500	5.6%	0.1%
11	Gamma Construction Ltd	Pointe Aux Piments	200	548,000,000	-	17,886,289		3.3%
13	Square Deal Multipurpose Coorperative Society Ltd	Goodlands (Traffic Centre)	184	503,424,000	-	16,053,062		3.2%
14	Square Deal Multipurpose Cooperative Society Ltd	L'Esperance Trebuchet	400	1,094,400,000	8,925,863	-	0.8%	
15	RBRB Construction Ltd	Bambous	100	272,500,000	-	8,027,095		2.9%
16	RBRB Construction Ltd	Hermitage 1 (Behind Bus Terminal)	124	337,900,000	-	8,053,075		2.4%
17	RBRB Construction Ltd	Hermitage 2 (Adj to La Digue)	276	752,100,000	-	8,406,044		1.1%
18	RBRB Construction Ltd	La Source – Lot 1 to Lot 6, Lot 9	300	817,500,000	-	7,655,051		0.9%
20	Super Construction Co. Ltd	Camp Levieux	200	545,000,000	11,329,081	82,524,460	2.1%	15.1%
21	Transinvest	Pointe Aux Sables	300	822,000,000	12,263,534	28,875,272	1.5%	3.5%

S.No	Contractors	Sites	No. of Housing Units	Contract Value RS	Approved on-site Variation (Rs)	Approved off-site Variation (Rs)	% On-site Variation	% Off-site Variation
22	Hyvec Partners Ltd	Coromandel	750	2,055,000,000	-	21,399,035		1.0%
24	BCEG	Cote D'Or	324	887,679,000	-	8,708,500		1.0%
25	BCEG	Henrietta 1 (Adj Rivulet Augustin)	308	848,303,791	- 6,491,701	14,580,938	-0.8%	1.7%
26	BCEG	Henrietta 3 (Behind NHDC)	92	247,665,137	6,491,701	-	2.6%	
27	BCEG	Malherbes	68	178,727,510	12,983,402	7,516,250	7.3%	4.2%
28	BCEG	La Brasserie	224	612,237,936	-	24,113,006		3.9%
29	BCEG	Camp Le Juge	108	304,865,627	-12,983,402	20,886,870	-4.3%	6.9%
30	General Construction	Beaux Songes	230	630,200,000	4,450,867	69,566,021	0.7%	11.0%
31	Tayelamay & Sons Enterprise Ltd	Camp Ithier	188	514,413,836	8,507,053	-	1.7%	
34	Tayelamay & Sons Enterprise Ltd	Olivia	212	595,000,000	-			0.0%
35	Tayelamay & Sons Enterprise Ltd	Grand Bel Air	200	540,000,000	-	33,067,884		6.1%
36	Ramasawmy & Ramasawmy Co.Ltd	Mare D'Albert	200	548,000,000	-	80,054,364		14.6%
	Total		8000	21,918,666,274	202,801,616	504,412,019		

Annex 9 : Analysis of Capital Expenditure

SN	CONTRACTOR/ CONTRACT SITE	CONTRACT AMOUNT	APPROVED VARIATIONS	ADJUSTMENT IN COST/ CPI	ACTUALISED CONTRACT AMOUNT	AMOUNT CERTIFIED AS AT: 19 Jun 2025 Incl. Advance Payment	PERCENTAGE CERTIFIED	COST TO COMPLETION AS AT: 19 Jun 2025
		A MUR	B MUR	C MUR	D=(A+B+C) MUR	E MUR	%=(E/D) MUR	F=(D-E) MUR
1.00	**Beijing Construction Engineering Group Co. Ltd**							
1.01	Henrietta 1	848,303,791.00	14,580,938.45	17,095,909.00	879,980,638.45	592,853,641.00	67%	287,126,997.45
1.02	Henrietta 3	247,665,136.50	-	4,823,468.71	252,488,605.21	241,596,726.71	96%	10,891,878.50
1.03	Malherbes	178,727,510.00	7,516,250.00	3,314,882.16	189,558,642.16	177,700,341.87	94%	11,858,300.29
1.04	La Brasserie	612,237,935.50	6,697,500.00	12,244,758.00	631,180,193.50	450,658,777.00	71%	180,521,416.50
1.05	Camp Le Juge	304,865,627.00	4,984,750.00	4,543,202.00	314,393,579.00	185,443,255.00	59%	128,950,324.00
1.06	Cote D'Or	887,679,000.00	8,708,500.00	13,776,594.00	910,164,094.00	560,527,699.00	62%	349,636,395.00
1.07	Valetta	208,221,000.00	(208,927.44)	4,164,420.00	212,176,492.56	206,970,967.58	98%	5,205,524.98
2.00	**D.L.B Construction & Co. Ltd**							
2.01	Arsenal 1	772,680,000.00	69,530,368.50	15,453,600.00	857,663,968.50	542,096,691.00	63%	315,567,277.50
2.02	Arsenal 2	835,700,000.00	(12,071,766.29)	16,714,000.00	840,342,233.71	747,986,502.00	89%	92,355,731.71
2.03	Riche Terre 1	438,400,000.00	53,811,926.06	8,768,000.00	500,979,926.06	473,007,580.00	94%	27,972,346.06
3.00	**Gamma Construction Co Ltd**							
3.01	Pointe Aux Piments	548,000,000.00	17,886,289.23	9,777,697.00	575,663,986.23	554,876,581.71	96%	20,787,404.52
3.02	Notre Dames	1,096,000,000.00	-	21,920,000.00	1,117,920,000.00	1,090,520,000.00	98%	27,400,000.00
4.00	**The General Construction Co Ltd**							
4.01	Beau Songes	630,200,000.00	74,016,887.93	12,604,000.00	716,820,887.93	650,717,217.13	91%	66,103,670.80
5.00	**Hyvec Partners Ltd**							
5.01	Coromandel	2,055,000,000.00	21,399,035.40	41,100,000.00	2,117,499,035.40	1,765,350,985.00	83%	352,148,050.40
6.00	**Kuros Construction Solutions Ltd**							
6.01	Balisson Lot 1	783,471,500.00	-	7,711,806.00	791,183,306.00	310,166,602.00	39%	481,016,704.00
6.02	Souillac	542,897,500.00	-	6,832,192.00	549,729,692.00	473,793,367.00	86%	75,936,325.00
6.03	Tyack	556,457,500.00	-	83,748.00	556,541,248.00	138,291,997.00	25%	418,249,251.00
6.04	Balisson Lot 2	297,178,500.00	-	76,797.00	297,255,297.00	57,374,408.00	19%	239,880,889.00
6.05	Riambel	224,963,750.00	-	-	224,963,750.00	56,240,937.50	25%	168,722,812.50
7.00	**Ramasawmy & Ramasawmy Co Ltd**							
7.01	Mare D'Albert	548,000,000.00	80,054,363.95	10,960,000.00	639,014,363.95	639,014,363.95	100%	-
8.00	**RBRB Construction Co Ltd**							
8.01	Bambous	272,500,000.00	400,000.00	2,342,926.00	275,242,926.00	199,176,101.00	72%	76,066,825.00
8.02	Hermitage 1	348,800,000.00	(10,500,000.00)	6,976,000.00	345,276,000.00	307,353,318.00	89%	37,922,682.00
8.03	Hermitage 2	741,200,000.00	11,500,000.00	14,824,000.00	767,524,000.00	431,584,041.00	56%	335,939,959.00
8.04	La Source 1	822,950,000.00	(4,850,000.00)	16,459,000.00	834,559,000.00	406,388,241.00	49%	428,170,759.00
8.05	Puspass	267,050,000.00	5,450,000.00	5,341,000.00	277,841,000.00	255,122,467.00	92%	22,718,533.00
9.00	**Rehm Grinaker Construction Co Ltd**							
9.01	Riche Terre 2	548,000,000.00	31,316,114.05	10,960,000.00	590,276,114.05	590,276,114.05	100%	-
10.00	**Square Deal Multipurpose**							
10.01	L'Espérance Trébuchet	1,094,400,000.00	8,925,863.48	21,888,000.00	1,125,213,863.48	998,788,778.00	89%	126,425,085.48
10.02	Reunion Maurel	681,264,000.00	(90,288,000.00)	13,625,280.00	604,601,280.00	573,466,753.00	95%	31,134,527.00
10.03	Goodlands	413,136,000.00	106,341,062.11	8,262,720.00	527,739,782.11	492,086,658.00	93%	35,653,124.11
11.00	**Super Construction Ltd**							
11.01	Camp Levieux	545,000,000.00	93,853,540.81	10,379,861.00	649,233,401.81	648,085,221.84	100%	1,148,179.97
12.00	**Tayalamay & Sons Enterprise Ltd**							
12.01	Bel Air	508,000,000.00	-	10,160,000.00	518,160,000.00	398,873,129.00	77%	119,286,871.00
12.02	Grand Bel Air	540,000,000.00	33,067,884.31	10,800,000.00	583,867,884.31	575,744,125.00	99%	8,123,759.31
12.03	Olivia	595,000,000.00	10,738,306.04	11,900,000.00	617,638,306.04	606,532,132.00	98%	11,106,174.04
12.04	Camp Ithier	612,918,613.68	(89,997,724.32)	12,258,372.00	535,179,261.36	471,036,870.00	88%	64,142,391.36
12.05	Quatres Cocos	481,578,910.75	98,504,777.20	7,929,012.00	588,012,699.95	163,744,785.00	28%	424,267,914.95
13.00	**Transinvest Construction Ltd**							
13.01	Pointe aux Sables	822,000,000.00	33,638,805.61	16,440,000.00	872,078,805.61	813,172,412.00	93%	58,906,393.61
		21,910,446,274.43	585,006,745.08	392,511,244.87	22,887,964,264.38	17,846,619,786.34		5,041,344,478.04