

To Heads of Department  
and Parastatal Bodies

15<sup>th</sup> September 2000

**Re: Variation Orders**

Heads of Department and Parastatal Bodies are reminded that according to Regulation 5(2) (m) and the Fourth Schedule of the Public Service (Procurement) Regulations, 1996 - a copy of the Schedule is attached - allocation to contractors of variations / extra works which, individually or collectively, imply an increase in excess of 5% on the original contract value, require the **prior** approval of the Director of Contracts. **Naturally this provision applies to those contracts which are awarded by the Department of Contracts.**

It is quite evident that many Departments are not adhering to this basic condition and are referring requests for approval of variations / extra works, costing in excess of the permissible 5%, **after** this additional work is allocated by their architects and engineers and indeed in many cases after it is completed. This line of action is clearly in flagrant breach of the relevant provisions of the Public Service (Procurement) Regulations.

Heads of Department are hereby being requested, for the last time, that they are to instruct officials involved about the need for the relevant legal provisions concerning variations to be strictly followed. Furthermore I have to emphasise that anyone disregarding the said Regulations will do so on his personal responsibility.

As the approval of variations often involves difficult decision-making I need hardly point out that requests for such approval should reach the Department of Contracts in such good time as to enable a careful evaluation of the case. No one should assume that the granting of such an approval would be a forgone conclusion. The fact that a project may have to be slowed down or even temporarily stopped pending the granting or otherwise of the necessary approval shall not be accepted as an excuse for disregarding the Regulations.

It is, after all, the responsibility of the client Department to ensure that tender quantities are as accurate as possible. If this rule is followed the need for large-scale variations will be reduced. I emphasize the word accurate.

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All Heads of Department are also to ensure that a procedure should be established with regard to the allocation and approval of variation orders concerning departmental contracts. Such a procedure, which should preferably be approved by the Permanent Secretary concerned, should provide for limits of authority for the approval of such variations keeping in mind that responsibility for departmental tenders and the ensuing contracts rests fully with the Ministry / Department concerned.

Your kind co-operation on this matter is extremely important since any further disregard for the appropriate provisions of the Regulations may create serious problems for the officials involved as well as in the implementation of projects.

J V Spiteri  
Director of Contracts

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