

Contracts Circular N° 25/2005

Department of Contracts  
Notre Dame Ravelin  
Floriana

To Heads of Department  
and Parastatal Entities

9<sup>th</sup> June 2005

**Re: Public Contracts Regulations, 2005  
Public Procurement of Entities operating in Water, Energy, Transport  
and Postal Services Sectors Regulations, 2005**

On the 3<sup>rd</sup> June 2005, by virtue of Legal Notice 177/2005, Government published the new Public Contracts Regulations, 2005 which transposed into Maltese law Directive 2004/18/EC on procedures for the award of Public Works Contracts, Public Supply Contracts and Public Service Contracts.

The new Regulations, which came into force on the 3<sup>rd</sup> June, 2005, have introduced new concepts in public procurement such as the Dynamic Purchasing System, Electronic Auctions, Competitive Dialogue and Framework Agreements.

It should be noted that the thresholds are now denominated in Maltese liri. The new thresholds applicable to Public Contracts are net of Value Added Tax and are listed in Schedule 8 as follows:-

- (a) Lm63,000 for public supply and service contracts awarded by contracting authorities listed as central government authorities in Schedule 4.
- (b) Lm97,000 for public supply and service contracts awarded by contracting authorities other than those listed in Schedule 4.
- (c) Lm2,448,000 for public works contracts.

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It should also be noted that a number of entities previously appearing under Schedule 3 are now listed in Schedule 2 and must therefore effect their procurement through the Department of Contracts. The only entities that remain under Schedule 3 are Local Councils, MGI/MIMCOL and Maltapost – these Contracting Authorities can administer their own procurement but in accordance with the provisions of the Regulations.

Also on the 3<sup>rd</sup> June 2005 the Public Procurement of Entities operating in Water, Energy, Transport and Postal Services Sectors Regulations, 2005 were published by means of Legal Notice 178/2005. These Regulations are fully compliant with Directive 2004/17/EC and constitute an almost verbatim copy of the said Directive.

Although separate regulations have been published, the procurement by entities operating in these sectors is still subject to, inter alia, the rules on non-discrimination and confidentiality, the supervision and functions of the Director of Contracts, Variation Orders, Contracts and Procurement Committees, Three Package tender offers and the possibility of appeals to the Public Contracts Appeals Board.

E. Zarb  
Director General (Contracts)

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