

Department of Contracts
Notre Dame Ravelin
FLORIANA FRN 1600

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

07 August 2013

ASSISTANCE TO SMALL AND MEDIUM SIZED ENTERPRISES

The Department of Contracts notes that the process of public procurement has continued to mature on its basic principles of fairness, transparency and non-discrimination. Economic operators are well versed on their rights and obligations when competing for public tenders. As a result of this progress, the time is opportune to give further stimulus to economic development particularly through the reduction of administrative burdens of Small and Medium Sized Enterprises.

In this regard, contracting authorities are to refrain from requesting bid bonds in respect of Departmental tenders or where the estimated value of a tender does not exceed €120,000. Public contracts awarded following a call for tenders should include an obligation on the contractor to submit a performance guarantee. This should be calculated at 10% of the contract value. In the case of framework supplies contracts or services contracts which are valid for more than one year, the performance guarantee should be calculated as to 10% of the estimated value for one year only. Where the total value of the contract does not exceed €10,000 no performance guarantee is to be requested from the contractor.

These measures are to apply with effect from 01 October, 2013.

Contracting authorities are also advised to keep a sense of proportionality in selection criteria. While it is expected that competing bidders must demonstrate that they have experience in the respective procurement, it is not necessary that this experience be related to public contracts or to exorbitant values which effectively limit competition.

Full use is to be made of the facilities provided by the electronic Public Procurement Solution. The Department of Contracts is aiming to have all public tenders with an estimated value above the EU thresholds published electronically through this platform by the end of 2013.

Francis Attard
Director General (Contracts)