

Department of Contracts  
Notre Dame Ravelin  
FLORIANA

Permanent Secretaries  
Directors General  
Directors  
Heads of Public Sector Organisations

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## **PROCESSING OF GUARANTEES IN PUBLIC PROCUREMENT**

In the continued effort to decentralise the procurement process to make it more efficient, it is considered that experience has demonstrated that Contracting Authorities are best placed to handle the various guarantees related to the post-award public procurement cycle. Hence, all Contracting Authorities listed under Schedule I of the Public Procurement Regulations (LN296/2010) are being informed that for all tenders published by the Department of Contracts after 1st January 2014 they will be responsible for the handling of post-award guarantees (performance guarantee / pre-financing guarantee / retention guarantee).

In order to implement this policy the Department of Contracts has made the necessary amendments to the tender templates which can be accessed through the electronic procurement portal at [www.etenders.gov.mt](http://www.etenders.gov.mt) or from the Department of Contracts website at [www.contracts.gov.mt](http://www.contracts.gov.mt). The revised templates must invariably be used with all calls for tenders. All Contracting Authorities are also being requested to submit copies of the respective guarantees to the Department of Contracts for audit purposes and to upload a scanned copy in the 'restricted area' of the specific call for tenders on the e-procurement portal.

Furthermore, Contracting Authorities are being encouraged to introduce 'single bonds' in lieu of standard performance guarantees, which would cover multiple contract awards, thus, reducing costs and alleviating administrative burdens on Economic Operators.

It is hoped that this policy review will help increase the efficient processing of post-award guarantees and particularly eliminate the unnecessary retention of guarantees which result in undesired financial hardships to economic operators and especially to Small and Medium Enterprises.

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