

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

16 May 2017

REGULATIONS REGARDING THE AWARD OF SERVICES FOR PUBLIC PRIVATE PARTNERSHIPS (ELDERLY CARE) AND HOMES FOR THE ELDERLY RENTING OUT BEDS TO THE GOVERNMENT OF MALTA

In order to address the issue of precarious employment, the Department of Contracts has issued a number of Contracts Circulars, such as Numbers 27/2014, 04/2015, 20/2016, 01/2017 and 07/2017 published with the intent to establish the minimum hourly rates payable to the contractor in the case of cleaning services, care worker services, clerical services and security services.

Through this circular, the Department of Contract is extending the contents of the aforementioned circulars **Public Private Partnerships (Elderly Care) and Homes for the Elderly (renting out beds to the Government of Malta)**. With retrospective effect from the **1st January 2017**, the same rates and conditions are to be implemented as a contractual obligation, concurrently in all 'homes' in general. This is to cover **only** the specific types of employment included in the Contracts Circulars published namely Cleaners - Offices, Cleaners - Hospitals and Clinics, Care Workers, Security Guards and Clerks.

1. In this respect, these new rates are payable and applicable to all **new** service tenders to be published and contracts for the procurement of long term beds entered into for the year 2017.
2. In the case of calls for offers **already issued but not yet awarded**, the contract shall be drawn up using the procurement conditions and specifications as published; however, an addendum to the contract shall then be issued reflecting the hourly rates covering 2017. It is imperative that Contracting Authorities include the minimum hourly rates as stipulated in the Contracts Circulars, in the procurement documents when publishing new procedures for service.

3. In respect of service contracts, which are **in the implementation stage and which contracts were pegged to the rates stipulated through previous Contracts Circulars** an approval is to be sought for an addendum to be issued. Approvals are to be requested through the Permanent Secretary of respective ministry to the Department of Contracts. The estimated increase in the awarded Contract Value is also to be specified in the request.
4. In the case of contracts which are **at implementation stage but which contracts were not pegged to the above mentioned Contracts Circulars**, Contracting Authorities should pay as a modification (variation) to their Private Partners and the respective Homes for the Elderly the difference in the cost backdated from 1st January 2017 onwards. The above rates are also applicable during any extension periods of those contracts awarded prior to 1st January 2015 which are to expire in 2017.

The addendum is to be drawn up in line with the hourly rates covering 2017 as stipulated in the latest Contracts Circular 07/2017 and should specify that the new rates applicable are those in the 'Total Worker's Cost' column respectively. Therefore, irrelevant of the rate tendered for and awarded to any given Contractor, the difference between the 2017 Total Workers' Cost and the Total Workers' Cost applied (2016 or Contracts Circular 01/2017) should be paid as a modification (variation) to the Contractor.

It is to be made clear that any increases apply only as from 1st January 2017.

All Contracting Authorities paying backdated modifications (variations) to Contractors should inform the Department for Industrial and Employment Relations (DIER) through the email address: info.dier@gov.mt.

Contracting Authorities are also encouraged to submit any queries to the Department of Contracts' customer care service on info.contracts@gov.mt or +356 21220212.

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