

Department of Contracts  
Notre Dame Ravelin  
FLORIANA

To Permanent Secretaries  
Directors General  
Directors  
Heads of Public Sector Organisations

19 December 2019

## **REGULATIONS REGARDING THE AWARD OF SERVICE CONTRACTS WITHIN THE PUBLIC ADMINISTRATION – 2020, 2021 AND 2022 RATES**

Reference is being made to Contracts Circular Numbers 27/2014, 04/2015, 20/2016, 01/2017, 07/2017, 08/2017, 20/2017 and 20/2018 published with the intent to establish the ‘Minimum Hourly Rates Payable to the Contractor’ in the case of a number of services, namely cleaning, street sweeping, care working, clerical and security. The stipulated basic rates are an effort to mitigate precarious work conditions vis-à-vis the Contractor’s employees.

The new rates for year 2020, 2021 and 2022, which reflect the rates following the Collective Agreement 2017-2024 for the Public Service of Malta employees, are enclosed as per Annex 1 to this Circular. Such new rates are applicable and payable to all new service contracts entered into as of 01 January 2020. It is to be reiterated that the outlined cost for the said service refers to the **‘Total Cost payable to Contractor’**.

Nonetheless, in order to ensure that all applicable remuneration (over and above the basic rate) due to the employees such as overtime, Sundays, Public Holidays and others, are paid as per the provisions that arise from Chapter 452 (Employment and Industrial Relations Act - EIRA), its subsidiary legislations, relevant Wage Regulation Orders and any other subsequent Legal Notices that might come into effect after the date of the publication of this Circular, Contracting Authorities are encouraged to direct any queries raised by the Contractor or her / his employees to the Department for Industrial and Employment Relations.

It is to be noted that the contents of this Circular are also being extended to the Public Private Partnerships (Elderly Care) and Homes for the Elderly Renting out Beds to the Government of Malta.

### **Minimum Hourly Rates for 2021 and 2022**

Contracting Authorities are to take note that the 2021 and 2022 'Total Cost payable to Contractor' as per Annex 1, may be revised if the Government of Malta amends the applicable legislation such as the annual vacation leave entitlement as per the respective annual budget. Nonetheless, such rates are being included as guidelines for future use.

### **Procurement not yet Published**

With regard to procurement which is still in the process of being published, it is imperative that such new service procurement includes the minimum hourly rates, as established in Annex 1, in the Procurement Documents.

### **Published Procurement but not yet Awarded**

In the case of procurement already published but not yet awarded, including procurement at publication and evaluation stage as well as contracts not yet signed by both parties, the contract shall be drawn up using the procurement conditions and specifications as published. However, Contracting Authorities shall request and issue, through the approved channels, an addendum to the contract reflecting the new hourly rates covering 2020, 2021 and 2022, as applicable.

### **Contracts in the Implementation Stage – Awarded after 1st January 2015**

Service contracts for the said employments, which are at present in the implementation stage and which contracts were pegged to the rates stipulated through Contracts Circulars 27/2014, 04/2015, 20/2016, 01/2017, 07/2017, 08/2017, 20/2017 and 20/2018 necessitate an addendum to the contract. Thus, Contracting Authorities shall request and issue, through the approved channels, an addendum to the contract. The estimated increase in the total awarded Contract Value is also to be specified in the request for approval. The new rates are also applicable for any extension periods of already awarded contracts.

## **Contracts in the Implementation Stage – Awarded before 1st January 2015**

Service contracts, which are at present in the implementation stage and which contracts were awarded before 01 January 2015 (i.e. which were not applying instructions in the Contracts Circulars 27/2014, 04/2015, 20/2016 and 01/2017, 07/2017, 08/2017, 20/2017 and 20/2018), upon their expiration date, should publish a new procurement procedure utilising the new rates as per Annex 1.

### **Addendum**

The addendum to be drawn up in the relevant scenarios depicted above, shall reflect the minimum hourly rates covering 2020, 2021 and 2022 (as applicable) and should specify that the new rates applicable are those in the **‘Total Cost Payable to Contractor’** column.

Therefore, irrespective of the bidding rate and awarded rate to any given Contractor, the difference between the 2020 (2021 or 2022 as applicable) and the 2019 (2020 or 2021 as applicable) **‘Total Cost Payable to Contractor’** should be paid as a modification/variation to the Contractor.

### **Specific Collective Agreements applicable in particular Entities**

With regard to circumstances whereby the established **‘Minimum Hourly Rate Payable to Contractor’** for a specific service does not form part of the Collective Agreement 2017-2024 for the Public Service of Malta employees, Contracting Authorities shall make a note to this effect in the Procurement Document (including in the Financial Bid Form). It is to be noted that pegging for such contracted employees shall be done according to rates published in the respective Collective Agreement of the particular entity.

### **Backdated Modifications/Variations**

All Contracting Authorities paying backdated modifications/variations to Contractors shall inform the Department for Industrial and Employment Relations.

### **Contact**

With regard to the generic content of this Circular, Contracting Authorities are encouraged to submit any queries to their respective Ministry’s Procurement Section or to their Ministerial Procurement Unit (MPU), as the case may be. In addition, Contracting

Authorities may also submit any queries to the Department of Contracts' Customer Care service on [info.contracts@gov.mt](mailto:info.contracts@gov.mt) or +356 21220212.

In addition, with regard to specific queries relating to the '**Total Cost payable to the Contractor's Employees**', all interested parties (including Contracting Authorities and Contractors) are to contact the Department for Industrial and Employment Relations on [info.dier@gov.mt](mailto:info.dier@gov.mt) or +356 21224245/6.

Anthony Cachia  
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## Annex 1:

The following tables are the Minimum Hourly Rates Payable to Contractors (excl. VAT) for the period 2020 – 2022 based on the Collective Agreement 2017 – 2024

**2020 Minimum Hourly Rates Payable to Contractors (excl VAT)**

Type of Employment	Government Salary Scale	Basic Rate	Vacation Leave	Bonus / Weekly Allowance	Public Holidays	National Insurance	Sick Leave	Maternity Leave Fund	Total Cost payable to Contractor
Cleaners (Offices)	20	€4.99	€0.75	€0.25	€0.39	€0.50	€0.17	€0.03	<b>€7.08</b>
Street Sweepers	20	€4.99	€0.75	€0.25	€0.39	€0.50	€0.17	€0.03	<b>€7.08</b>
Cleaners (Hospitals & Elderly Homes)	18	€5.81	€0.87	€0.25	€0.46	€0.59	€0.20	€0.03	<b>€8.21</b>
Assistant Clerical (Support) Worker	18	€5.81	€0.87	€0.25	€0.46	€0.59	€0.20	€0.03	<b>€8.21</b>
Care Workers	17	€6.24	€0.94	€0.25	€0.49	€0.63	€0.21	€0.03	<b>€8.79</b>
Clerical Workers	16	€6.69	€1.01	€0.25	€0.52	€0.67	€0.23	€0.03	<b>€9.40</b>
Security Guards	16	€6.69	€1.01	€0.25	€0.52	€0.67	€0.23	€0.03	<b>€9.40</b>
Senior Clerks	14	€7.63	€1.15	€0.25	€0.60	€0.77	€0.26	€0.04	<b>€10.70</b>

Contractors are to note that their employees are to receive the Government Weekly Allowances and Government Bonuses in their appropriate month.

**2021 Minimum Hourly Rates Payable to Contractors (excl VAT)**

<b>Type of Employment</b>	<b>Government Salary Scale</b>	<b>Basic Rate</b>	<b>Vacation Leave</b>	<b>Bonus / Weekly Allowance</b>	<b>Public Holidays</b>	<b>National Insurance</b>	<b>Sick Leave</b>	<b>Maternity Leave Fund</b>	<b>Total Cost payable to Contractor</b>
<b>Cleaners (Offices)</b>	20	€5.08	€0.77	€0.25	€0.40	€0.51	€0.17	€0.03	<b>€7.21</b>
<b>Street Sweepers</b>	20	€5.08	€0.77	€0.25	€0.40	€0.51	€0.17	€0.03	<b>€7.21</b>
<b>Cleaners (Hospitals &amp; Elderly Homes)</b>	18	€5.95	€0.90	€0.25	€0.47	€0.60	€0.20	€0.03	<b>€8.40</b>
<b>Assistant Clerical (Support) Worker</b>	18	€5.95	€0.90	€0.25	€0.47	€0.60	€0.20	€0.03	<b>€8.40</b>
<b>Care Workers</b>	17	€6.41	€0.96	€0.25	€0.50	€0.65	€0.22	€0.03	<b>€9.02</b>
<b>Clerical Workers</b>	16	€6.88	€1.03	€0.25	€0.54	€0.69	€0.23	€0.03	<b>€9.65</b>
<b>Security Guards</b>	16	€6.88	€1.03	€0.25	€0.54	€0.69	€0.23	€0.03	<b>€9.65</b>
<b>Senior Clerks</b>	14	€7.87	€1.18	€0.25	€0.62	€0.79	€0.27	€0.04	<b>€11.02</b>

**Contractors are to note that their employees are to receive the Government Weekly Allowances and Government Bonuses in their appropriate month.**

**2022 Minimum Hourly Rates Payable to Contractors (excl VAT)**

Type of Employment	Government Salary Scale	2022 Minimum Hourly Rates Payable to Contractors (excl VAT)							
		Basic Rate	Vacation Leave	Bonus / Weekly Allowance	Public Holidays	National Insurance	Sick Leave	Maternity Leave Fund	Total Cost payable to Contractor
Cleaners <i>(Offices)</i>	20	€5.17	€0.78	€0.25	€0.41	€0.52	€0.18	€0.03	<b>€7.34</b>
Street Sweepers	20	€5.17	€0.78	€0.25	€0.41	€0.52	€0.18	€0.03	<b>€7.34</b>
Cleaners <i>(Hospitals &amp; Elderly Homes)</i>	18	€6.09	€0.92	€0.25	€0.48	€0.61	€0.21	€0.03	<b>€8.59</b>
Assistant Clerical (Support) Worker	18	€6.09	€0.92	€0.25	€0.48	€0.61	€0.21	€0.03	<b>€8.59</b>
Care Workers	17	€6.58	€0.99	€0.25	€0.52	€0.66	€0.22	€0.03	<b>€9.25</b>
Clerical Workers	16	€7.08	€1.06	€0.25	€0.55	€0.71	€0.24	€0.04	<b>€9.93</b>
Security Guards	16	€7.08	€1.06	€0.25	€0.55	€0.71	€0.24	€0.04	<b>€9.93</b>
Senior Clerks	14	€8.11	€1.22	€0.25	€0.63	€0.82	€0.27	€0.04	<b>€11.34</b>

**Contractors are to note that their employees are to receive the Government Weekly Allowances and Government Bonuses in their appropriate month.**