

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

02 March 2023

**FURTHER TO: AWARD OF SERVICE CONTRACTS AND PEGGED RATES
(2023): SALARY SCALES 19 AND 20**

Reference is being made to the Cost-of-Living Adjustment (COLA) increase of €9.90c weekly and €0.25c hourly, as announced in the 2022 Budget Speech, covering year 2023.

To ensure that the principle of '*Equal Pay for Equal Work or Work of Equal Value*', as depicted in the Employment & Industrial Relations Act of 2002 (Chapter 452, Part IV) is adhered to, additional information to Contracts Circular N° 04/2023 (dated 24 January 2023) in relation to the Pegged Rates for Salary Scales 19 and 20, is being brought to the attention of all Stakeholders, namely the Contracting Authorities / Entities and Economic Operators.

Accordingly, further to Contracts Circular N° 04/2023, it shall be noted that all Service Contracts classified under Salary Scale 19 and Salary Scale 20 (irrespective of the nomenclature utilised) shall be inclusive of the following COLA entitlement:

- Salary Scale 19 Service Contracts shall be inclusive of €0.04 per hour
- Salary Scale 20 Service Contracts shall be inclusive of €0.07 per hour

To this end, the Minimum Hourly 'Total Rate Payable to Contractor' and the Contractor's employees 'Basic Rate' for Year 2023 shall be amended as necessary and applicable. The above COLA entitlement requirement is applicable to all the Public Administration, thus, Contracts for Services awarded by Contracting Authorities / Entities in the Public Service and in the Public Sector.

Contracting Authorities / Entities are being advised that the ‘Minimum Hourly Rates’ depicted in the table below supersede the rates forming part of Contracts Circular N° 04/2023.

Government Salary Scale	2023 Minimum Hourly Rates (excl VAT)			
	Monday - Saturday Basic Rate *	Sunday Basic Rate *	Monday - Saturday Total Rate Payable to Contractor	Sunday Total Rate Payable to Contractor
Service Salary Scale 19	€ 5.88	€ 11.76	€ 8.24	€ 14.12
Service Salary Scale 20	€ 5.42	€ 10.84	€ 7.61	€ 12.96

** The ‘Basic Rate’ refers to the ‘Rate Payable to the Contractor’s Employees*

In this regard, Contracting Authorities / Entities and Contractors are expected to liaise together, conduct adequate analysis and coordinate changes to the relevant Contract Agreements / Procurement Calls as well as implement all necessary actions in full adherence to the COLA entitlement measure.

All the other content of the original Contracts Circular N° 04/2023 remain applicable.

Contact

Contracting Authorities may submit any queries in relation to the generic content of this Circular to the Department of Contracts’ Customer Care service on info.contracts@gov.mt or by calling on +356 2378 1000.

However, regarding specific queries vis-a-vis the relevant ‘Basic Rates’ 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 or +356 2122 4245/6.

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