

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

04 October 2024

**FURTHER TO: AWARD OF SERVICE CONTRACTS AND PEGGED RATES (2024):
SALARY SCALES 18, 19 AND 20**

Reference is being made to the Cost-of-Living Adjustment (COLA) increase of €12.81 weekly and €0.32 hourly, as announced in the 2023 Budget Speech, covering year 2024.

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° 01/2024 (dated 10 January 2024) in relation to the Pegged Rates for Salary Scales 18, 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° 01/2024, it shall be noted that all Service Contracts classified under **Salary Scales 18, 19 and 20** (irrespective of the nomenclature utilised) shall be eligible for an **Additional Annual COLA Payment** as follows:

- Salary Scale 18 Service Contracts shall receive a Payment of €20.59
- Salary Scale 19 Service Contracts shall receive a Payment of €84.04
- Salary Scale 20 Service Contracts shall receive a Payment of €140.12

The above Additional one-time Annual COLA Payment is applicable to all Procurement Contracts under the Public Administration. Therefore, applicable to all Public Contracts for Services awarded by Contracting Authorities / Entities in the Public Service and in the Public Sector, which cover the above-mentioned Salary Scales.

In this regard, Contracting Authorities / Entities and Contractors are expected to liaise together and conduct an analysis to determine if such Salary Scales are within their specific Contract for Service.

Thereafter, Contracting Authorities / Entities shall coordinate the relevant changes and implement all necessary actions to ensure that signed Public Contract Agreements are reflective of the Additional one-time Annual COLA Payment.

Furthermore, with regard to Procurement Calls which are not yet signed (including those at the Pre-Publication / Vetting, Publication and Evaluation Stages) Contracting Authorities / Entities shall also take into consideration this additional one-time Annual COLA Payment for Salary Scales 18, 19 and 20.

Contractors are reminded that they are under the obligation to pay their Employees for the hours such employees were engaged on each relevant Public Contract, ensuring that the monies paid comply also with any applicable regulations and legislation.

All the other content of the original Contracts Circular N° 01/2024 remain applicable.

Addendum

Needless to say, the Additional one-time Annual COLA Payment is deemed to be a Modification¹ to the Public Contract. Accordingly, Contracting Authorities / Entities shall seek approval through the applicable channels. In addition to any customary documentation to be presented to the relevant Competent Authority, the Request for an Approval of a Modification shall specify the increase in the new Total Awarded Contract Value.

Further to any Approved Modification Request, Contracting Authorities / Entities shall prepare an Addendum reflecting the above Additional one-time Annual COLA Payment.

An Addendum shall also apply to any Procurement Calls at the Publication and Evaluation Stages, as well as Contracts not yet signed by both parties, as long as the Contract Agreement shall primarily be drawn up using the procurement conditions and specifications as published.

¹ Modification is defined as any change, variation or amendment to the original terms of the contract including but not limited to the introduction of new conditions and to the removal or replacement of existing conditions.

Contact

Contracting Authorities / Entities 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 1001.

However, regarding specific queries vis-a-vis the relevant 'Basic Rates' (or any other applicable monies) payable to the Contractor's Employees, interested parties (including Contracting Authorities / Entities and Contractors) are to contact the Department for Industrial and Employment Relations on contract.dier@gov.mt or on Freephone 1576.

Adrian Dalli

Director General (Contracts)