

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

17 February 2026

PROCUREMENT OF PROPERTY: CONSULTATION PROCESS AND DIRECT CONTRACTS

All Contracting Authorities/Entities forming part of the Public Administration (including Regional Councils and Local Councils) are reminded that full adherence to the Procurement of Property¹ Regulations S.L. 601.12 and Contracts Circular N° 13-2020 is mandatorily required.

Consultation Process

In line with Regulation 35 of S.L. 601.12, Government-owned property must be prioritised over privately-owned property. Before commencing any procurement procedure for immovable property, consultation with the Lands Authority is required to determine whether a suitable Government property is available.

Prior to obtaining clearance from Lands Authority Contracting Authorities-Entities shall not publish a Procurement of Property Procedure.

To regulate and streamline the Consultation Process obligations emanating from Regulation 35 of S.L. 601.12, pursuant to Circular MCLG/LA_01_2025², all Contracting Authorities/Entities forming part of the Public Administration shall mandatorily compile and submit an online **Property Locator Application Form (PRO1)** from:

<https://onlineportal.landsauthority.org.mt/Services/Forms>.

The Details of the Property shall include, but not be limited to:

¹ Regulation 2 of S.L. 601.12 defines the Procurement of Property as 'the acquisition by whatever title, whether real or personal, of immovable property by a contracting authority'. S.L. 601.12 was enacted with the scope of regulating the manner in which Government carries out the Procurement of Property.

² [Circular Property Locator 31.07.2025 V.3.pdf](#) - Lands Authority published MCLG/LA_01_2025 (Procedure for Submission of Property Locator Application Form in Accordance with Article 35 of S.L. 601.12) on 31st July 2025:

- Property Type: Undeveloped Site or Already Built Structure
- Choice of three (3) Localities
- Area in Sqm
- Other Specific Property Requirements including Top-Level Specifications³

PRO1 applications must be submitted via a personal e-ID account. The application is designed to clearly indicate that the submission is made on behalf of the relevant Contracting Authority/Entity.

In line with Circular MCLG/LA_01_2025, where privately-owned property is currently being leased, the PRO1 application must be submitted at least 18 months before lease expiry.

Before submission, a comprehensive **Needs Assessment** must be conducted and documented, and all relevant information must be provided to the Lands Authority, including space, location, amenities, compliance standards, functional and operational requirements, and any applicable financial analysis.

Procurement Procedure of Immovable Property

The Lands Authority shall notify the Contracting Authority of the outcome of the application in accordance with article 53 of CAP 563 (Lands Authority Act). The Contracting Authority shall ensure that all related correspondence, including the Lands Authority's notification and the property specifications submitted to the Lands Authority be retained on file for audit purposes and for presentation to the Department of Contracts, if requested.

For procurement of immovable property estimated above €500,000⁴(excl. VAT), the Lands Authority's notification must be submitted to the Department of Contracts by the Contracting Authority itself together with the procurement documents for vetting, in accordance with the Modus Operandi in Annex 2 of Contracts Circular N°13-2020⁵.

Direct Contracts

Under Regulations 35 and 41 of S.L. 601.12, immovable property may be procured through a Direct Contract subject to prior written approval from the relevant Competent Authority.

Requests for approval must include:

1. Valid justification for the Direct Contract
2. Copy of the Lands Authority Declaration confirming that no suitable Government property was identified in their Portfolio of Properties

The Competent Authority may impose conditions when granting approval.

³ For the purposes of this Circular, Top-Level Specifications shall incorporate a general outline of property requirements capturing the essence and salient conditions.

⁴ Regulation 6(2) of S.L. 601.12 states that: 'The Minister shall, from time to time, by regulations determine the thresholds applicable under these regulations'.

⁵Annex 2 of Contracts Circular N° 13-2020 includes a Step-by-Step Guide to be adhered to when submitting the Procurement Document to be published, administered and determined by the Director of Contracts on behalf of Contracting Authorities/Entities.

Approval thresholds (based on Estimated Procurement Value):

1. \leq €500,000 (excl. VAT): Approval required from the Direct Orders Office within the Ministry responsible for Finance⁶.
2. $>$ €500,000 (excl. VAT): Approval required from the Department of Contracts

Contact

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⁶ *The Direct Orders Office is deemed to be the delegated office in view that Regulation 41(a) denotes that a '...Contracting Authority must obtain prior written approval of the Minister who may delegate his authority in writing to the Permanent Secretary or any other senior official in his Ministry'.*