

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

31 January 2022

**OFFICIAL FINANCIAL THRESHOLDS RELATING TO PUBLIC PROCUREMENT,
UTILITIES PROCUREMENT AND CONCESSION CONTRACTS EU DIRECTIVES**

The European Union establishes standardised rules for procurement, the financial estimated value of which exceeds a certain threshold. Article 9 of Directive 2014/23/EU, Article 6 of Directive 2014/24/EU and Article 17 of Directive 2014/25/EU empower the European Commission to adopt delegated acts, in accordance with Article 290 of the TFEU¹, with respect to the revision of the thresholds.

The calculation of the thresholds of the Public Procurement and Concession Directives is based on the average daily value of the Euro in terms of the Special Drawing Rights, over a period of 24 months terminating on 31 August preceding the revision with effect from 01 January. The said calculation is carried out every two (2) years in accordance with the terms of the World Trade Organisation Agreement on Government Procurement (GPA). The said calculation is a mathematical technical exercise wherein the purpose of the adjustments is to correct for any currency movements between the signatories which would affect the extent of their procurement markets which are open to competition from companies in other signatory countries.

The revised thresholds and their corresponding values in other European Union national currencies have been published by the European Commission in the Official Journal of the European Union (OJEU).

¹ TFEU - Treaty on the Functioning of the European Union

Public Procurement and Concession Contracts: EU Thresholds

Further to the above, at Annex 1 [Sheet A], attached to this Contracts Circular, the Department of Contracts has prepared a table that portrays the new 'EU Financial Thresholds', applicable to local Public Contracts, as of 01 January 2022.

Contracting Authorities are reminded that when the Estimated Procurement Value meets or exceeds the said thresholds a Contract Notice must be published in the Official Journal of the European Union.

For ease of reference and perusal, at Annex I [Sheet B] the 'Local Financial Thresholds' (specifying which authority is responsible for the procurement process, thus, the publication of the relevant Procurement Call) applicable to local Public Contracts, as of 01 January 2022 are also displayed.

Public Procurement and Concession Contracts: Local Thresholds

Pursuant to the relevant European Union Directives, the relevant thresholds in the Public Procurement Regulations S.L. 601.03², Utilities³ Procurement Regulations S.L. 601.05⁴ and Concession Contracts Regulations S.L. 601.09⁵ have been amended as per Legal Notice 26 of 2022 dated 27 January 2022.

Furthermore, any applicable local threshold has also been revised as necessary. To this effect, a Departmental Procurement⁶ shall be deemed to be procurement in line with the below Estimated Procurement Values:

- Public Procurement Regulations S.L. 601.03: Less than €140,000 excl. VAT
- Utilities Procurement Regulations S.L. 601.05: Less than €431,000 excl. VAT

Department of Contracts: Publication of Procurement Calls

As of 01 January 2022, the Operations Directorate at the Department of Contracts shall publish and administer procurement on behalf of the Contracting Authorities, in line with the details and Estimated Procurement Values as specified in the table overleaf:

² Schedule 5: Values of Thresholds pursuant to Regulation 9 of S.L. 601.03

³ Utilities Procurement relates to Public Procurement of Entities operating in the Water, Energy, Transport and Postal Services Sectors

⁴ Schedule 5: Values of Thresholds pursuant to Regulation 30 of S.L. 601.05

⁵ Schedule 3: Values of thresholds pursuant to Regulation 57 of S.L. 601.09

⁶ Departmental Tender is defined as tenders published by Contracting Authorities/Entities with an Estimated Value which is less than the threshold established under Regulation 9(1)(a) of S.L. 601.03/Regulation 30(1)(a) of S.L. 601.05

Contracting Authority Classification	Estimated Procurement Value Threshold excl. VAT
Contracting Authorities classified under Schedule 2 of S.L. 601.03	Equal to or Exceeding €140,000
Contracting Authorities classified under Schedule 16 of S.L. 601.03	Exceeding €750,000
Contracting Authorities classified under Schedule 16 of S.L. 601.03 (<i>specifically for Procurement Procedures which are not the Open or Restricted</i>)	Equal to or Exceeding €140,000
Contracting Entities pursuing activities in line with S.L. 601.05	Equal to or Exceeding €431,000

e-Procurement Templates

Contracting Authorities shall utilise the ‘above threshold’ e-Procurement Template when drafting and compiling the Procurement Document whenever the Estimated Procurement Value equals or exceeds the following thresholds:

Authority responsible for publishing Procurement Calls	Estimated Procurement Value Threshold excl. VAT
Department of Contracts (including the Sectoral Procurement Directorate)	€140,000
Schedule 3 Contracting Authorities (excluding Local Councils)	€140,000
Sub-Central Contracting Authorities (i.e. Local Councils)	€215,000
Utilities Contracting Authorities / Entities	€431,000

In line with the above, the relevant Authority responsible for publishing Procurement Calls shall distinguish between ‘below’ and ‘above’ local threshold procurement, thus, administering the procurement process according to the applicable regulations.

Contact

Contracting Authorities may submit any queries to the Department of Contracts’ Customer Care service on info.contracts@gov.mt or by calling on +356 21220212.

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