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Policy Development and Programme Implementation Directorate

Procurement Policy Note #21

Title: Performance Guarantee value

Date issued: 30.11.2015

1 Purpose

This Procurement Policy Note (PPN) aims to implement the changes, in respect of Performance Guarantee value, as announced in the 2016 Budget speech.

2 Organisational Scope

This is a Government-wide policy. It shall apply to all Ministries/Departments/Entities falling under Schedule 1 of the Public Procurement Regulations – Subsidiary Legislation 174.04.

3 Definitions

Performance Guarantee - A written guarantee from a third party guarantor (usually a bank or an insurance company) submitted to a Contracting Authority by a contractor on winning the bid in order to guarantee the full and proper performance of the contract.

4 Policy Content and Guidelines

As announced during the 2016 Budget speech the Performance Guarantee value to be requested for the award of Public Contracts has been adjusted as per table below:

Contract value from / to	Performance Guarantee value
€10,000 to €500,000	4% of contract value (excl.VAT)
€500,001 onwards	10% of contract value (excl.VAT)

5 Effective

All public contracts signed as from 1st December 2015 onwards.

6 Applicability

All CfT published departmentally or through the Department of Contracts.

7 Legislative Compliance

Laws of Malta, Subsidiary Legislation 174.04 – Public Procurement Regulations.

8 References

General Conditions for Supply Contracts version 1.05;

General Conditions for Works Contracts version 1.05;

General Conditions for Service Contracts version 1.06;

General Rules Governing Tenders version 1.13;

eTender Document Template version 1.13.

9 Appendices

Nil

10 Other related policy notes published

Nil