



PROCUREMENT AND CONTRACT MANAGEMENT – MALTA EXPERIENCE

Capacity Building Workshop on 'Non-Conventional Water Resources Management: Local Solutions'
14th November, 2019 - MCAST

Alter-Aqua III
Non-Conventional Water Resources – Programme in the Mediterranean

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EU DIRECTIVES TRANSPOSED TO MALTESE LAW

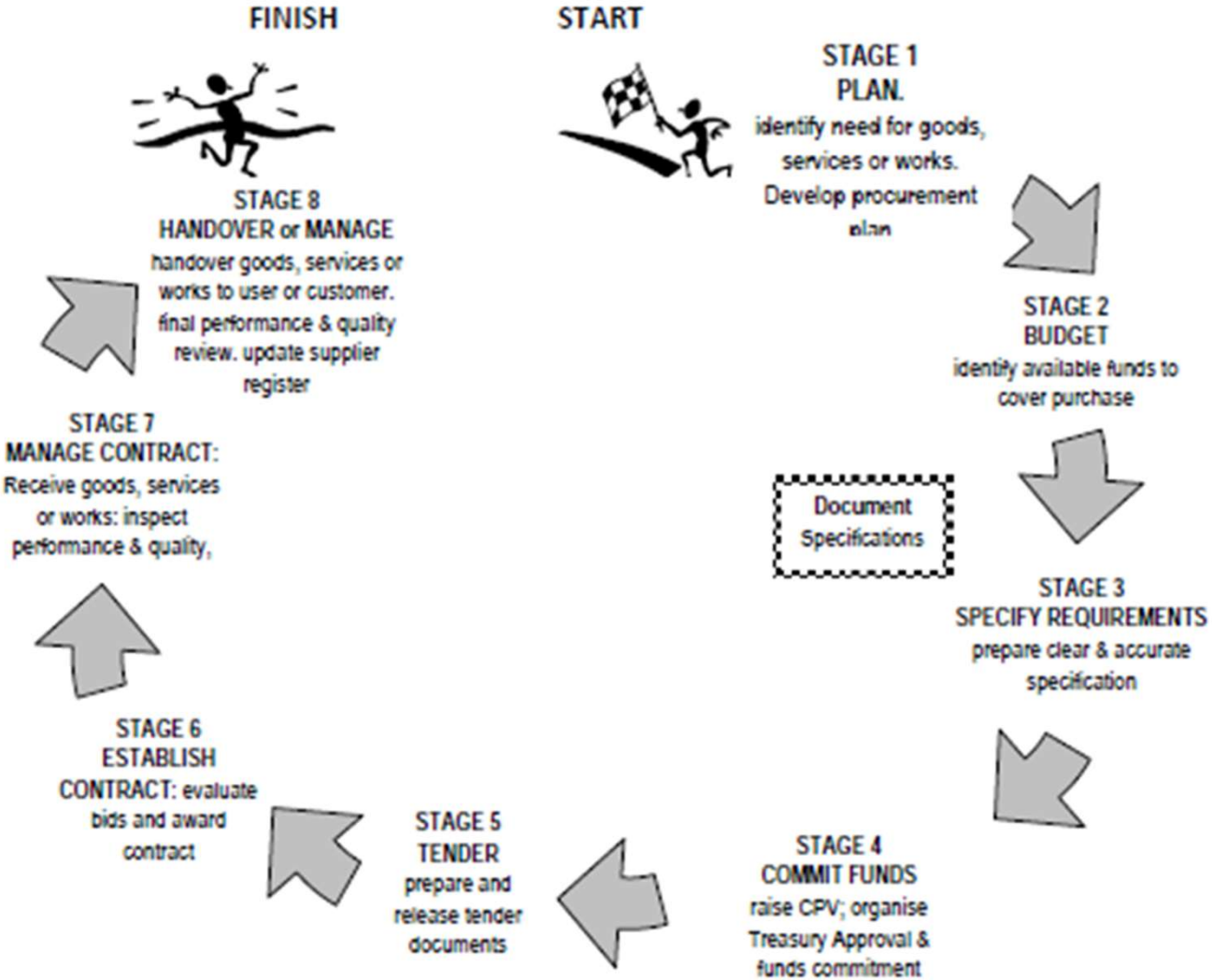
- Public Procurement Regulations Legal Notice 352 of 2016
- Public Procurement Regulations – Utilities Legal Notice 351 of 2016

<https://contracts.gov.mt/en/Resources/Pages/Resources.aspx>

PRINCIPLES PUBLIC PROCUREMENT

- Non Discrimination
- Equality of Treatment
- Transparency
- Mutual Recognition
- Proportionality

PLANNING –PROCUREMENT CYCLE



TYPES OF CONTRACTS

- *Supplies* –
All goods purchased (general rule)
- *Services* –
Listed in Schedule 14
- *Works* –
Construction – listed in Schedule 15
- *Mixed contracts* (supplies + works)

FINANCIAL OFFER

- **lump-sum/unit-price** for supplies contracts
- **unit-price/bill of quantities** for works contracts
- **global price/fee-based** for service contracts

AWARD CRITERIA - PRICE

- **Price** (administratively and technically compliant cheapest offer)
- Using a **cost** effectiveness approach (including life cycle costs generally meaning the purchase price; maintenance costs during the lifetime; and disposal costs)
- Best price-quality ratio (**BPQR**), which shall be assessed on the basis of criteria, including qualitative, environmental and, or social aspects – e.g. 70% technical against 30% price

AWARD CRITERIA – COST 1

9. Criteria for Award

- 9.1 The sole award criterion will be the price. The contract will be awarded to the cheapest priced tender satisfying the administrative and technical criteria.

10. Calculation of the Cheapest Prices

- 10.1 The award criteria shall be the cheapest *Annual Total Cost* compliant tender, taking into account the CAPEX and OPEX. The *Total Annual Cost* for award purposes shall be taken to be the sum of the *Annual Amortized Capital Cost* based on a useful 15 year life at an interest rate of 5%, and the *Annual Running Energy Cost* (energy cost at 0.153 Euro per KWhr) assuming that the pumps / pumps motor sets, shall be operating at the duty point specified.

AWARD CRITERIA – COST 2

Annual Total Cost = Annual Amortized Capital Cost + Annual Running Energy Cost

The amortization formula to be used shall be in the form:

$$A = \frac{(P)(r)(1+r)^n}{(1+r)^n - 1}$$

where :

A = Annual amortized

P = Capital price as submitted in the Financial Offer*

r = Interest rate = 5%

n = Useful life = 15 years

AWARD CRITERIA – COST 2

Annual Running Energy Cost

This shall be calculated as follows;

$$\text{Annual Running Cost} = \text{Absorbed Pump Power at Duty Point} \times (24\text{hrs} \times 365\text{days}) \times F \times R$$

Where:

F = on line factor = 75%

R = electricity rate = 0.153/KW/hr

Absorbed Pump Power shall be taken to be the sum of the power absorbed of the pumps being requested.

ACCEPTANCE MILESTONES

- Partial Acceptance
- Provisional Acceptance
- Maintenance Obligations /
Warranty
- Final Acceptance

PERFORMANCE GUARANTEE

- The Performance Guarantee shall be held against payment to the Contracting Authority for any loss resulting from the Contractor's failure to perform his contractual obligations fully and properly.

RETENTION MONEY

- The **Retention Monies** or the **Retention Guarantee** shall be released within 45 days of the date of final acceptance of the works.

DELAYS IN EXECUTION

- If the Contractor fails to deliver / complete the services, works or supplies by the deadline(s) specified in the contract, the Contracting Authority shall be entitled to liquidated damages in the form of a **penalty** as stipulated in the contract.

ELECTRONIC PUBLIC PROCUREMENT SYSTEM

- **ePPS**
- <https://www.etenders.gov.mt>



**Thank you for your
Attention**

Any questions?

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