

Memorandum for Cabinet by the  
A/Minister of Finance, Customs and Port

Conditions of contract for the transport of mails,  
passengers and vehicles between Malta and Gozo

The current 10 year contract for the transport of mails, passengers and vehicles between Malta and Gozo is due to expire on the 30th October 1967.

New draft conditions (attached) were first drawn up by a working committee under the Chairmanship of the Accountant General. These reflect, in the majority of clauses, the previous (current) conditions of contract but there are five points dealt with hereunder, which require further consideration since they either have a direct bearing on plans for future development or are generally matters of policy.

The attention of Hon. Ministers is drawn to the fact that the recommendations concerning these points and on which a decision is necessary also take into account the views of an ad hoc committee which reported on the development of Mgarr Harbour.

1. Duration of contract - 10 years. It is suggested that given the amount of investment involved a shorter period might deter prospective tenderers. Moreover any development at Mgarr Harbour should have a favourable effect on the performance and profitability of the service and should not lead to any claims on Government. Also the capacity being provided under the new contract (by way of numbers of passengers and trips) should prove sufficient to meet the probable increase in demand during the next ten years. Government could always in any case, reconsider the position should growth in demand assume extraordinary proportions.
2. Number of passengers to be carried. A minimum capacity of 650 passengers and 30 cars is proposed the number of first class seats to be increased to 100. This would retain broadly the proportion of such seats to the minimum (total) stipulated in the current contract (30:180). This would moreover tend to reduce the 3rd class fare.
3. Conveyance of cars. The contract should stipulate that the contractor may offer to provide alternative means for the transport of cars accompanying the ship. This is in line with the proposals put to the Mgarr Harbour Development Committee involving the provision of a car-carrying barge to perform parallel services with the passenger ship.
4. Transport of mail. It is suggested that the mails should be carried to and from Marfa in Malta and to and from Mgarr in Gozo by Post Office personnel and transport, the contractor being bound only to carry the mails on board ship between Marfa and Mgarr and vice-versa as one of the conditions of contract.

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5. Fares and Subsidy. Prospective tenderers should quote on the basis of fares which they propose to charge and not on the basis of a subsidy which they expect from Government. The contract could then be awarded to the contractor quoting the lowest fares for passengers and cars. The element of subsidy should not be mentioned in the tender. It should however be stipulated in the tender conditions that the current fares should be maintained for the first trip from Gozo on Monday and for the 1 p. m. trip from Malta on Saturday as this is considered to be the workmen's fare. Subject to this limitation, there is no reason why the service should not be self-supporting particularly once (a) the current fares have been in existence for over 30 years (b) incomes have increased substantially during this period (c) there is no reason why tourists and other visitors to Gozo should be subsidised by the taxpayers rather than pay the economic price for the service they get. In this regard it has to be stated that we are currently paying a subsidy of £4,000 and that on figures for 1965 (which are the ones last available) fares from carrying passengers in the buses were £1,250 and fares from passengers on board ship were £19,660. In curtailing these two items, the only real loss to the contractor is that of the subsidy because from accounts submitted the operation of the bus could be said to break even not to say that it apparently involved a loss. Assuming a 50% increase in fares, which would bring them to 3/- 1st class and 1/6 3rd class (by no means high by present standards) the income from fares should rise by some £10,000 (on the basis of the current number of trips performed) which, even after allowing for no increase in 'workmen' fares, would still leave the contractor ample latitude for profit.

The proposal has also been put forward that a grant and other financial aid should be offered to help in the construction or purchase of a ship. The contract itself offers an adequate incentive for any prospective tenderer and it is not considered that the need arises for any further financial aid.

Hon. Ministers are requested to say whether they agree that the new contract to run from 1st November 1967 to 30th October 1977 should be based on the above five points of policy.

27th April, 1967.

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COPY

The Treasury,  
The Palace,  
Valletta.

March 18, 1967

A/Secretary, M. F. C. P.

The working committee under my Chairmanship referred to in para 5 of min. 370 in Treas. 2627/56 was composed as follows:

- Mr I. Xuereb - Postmaster General
- Dr V. Frendo - representing the Crown Advocate General
- Mr M. Padovani - representing the Administrative Secretary (replaced after the first two meetings by Mr P. Attard)
- Supt. Cachia - representing the Commissioner of Police
- Mr W. Scicluna - representing the Superintendent of Ports.

After ten sittings the above mentioned Committee has now finalised the tender documents, a draft of which is enclosed for approval before the call for tenders is issued. A copy of the conditions governing the current contract is also enclosed for reference purposes.

There are a few points which, the Committee feel, may call for a policy decision and to which I am accordingly drawing your attention in case Government decides that arrangements, other than those suggested by the Committee should be made.

Clause 8: The Committee, while noting that none of the departments concerned had suggested any change in the duration of the contract, were of the view that it would not be advisable to shorten the ten year period as otherwise prospective tenderers might find it uneconomical to enter into the substantial initial and recurrent expenditure necessary for the provision of a service of this nature.

Clauses 12 and 13: After studying at some length the question of the passenger and vehicle carrying capacity of the new vessel in the light of current and future requirements and of present berthing facilities at both ends the Committee came to the conclusion that the minimum carrying capacity should be as follows:

- 650 seated passengers (50 of whom to be first class)
- 30 medium sized vehicles

This decision was based on figures furnished by Supt. Cachia which showed the actual number of passengers carried by the present vessel during the months of June, August and December, 1966, and also on the personal experience of some of the members of the Committee itself. Consideration was also given by the Committee to the fact that Gozo is rapidly expanding its tourist potential and that the number of motorists wishing to cross over to Gozo is ever on the increase. In this respect it may be pointed out that the Commissioner for Gozo has suggested that the vessel should carry 500 passengers (whereof 360 seated) and 30 cars.

Clause 14: This new clause was included by the Committee with some misgivings since there is a possibility that it might, to a certain extent, encourage prospective tenderers to offer a smaller-sized vessel in order to be able to ask for a lower subsidy and thus be in a better position to secure the contract.

On the other hand the Committee could not exclude the possibility that as (i) a vessel of the size required to meet the specification would be a rather costly proposition and (ii) as possible tenderers for a smaller vessel would be otherwise automatically excluded, Government might find itself either with no response at all or with a request for a relatively high subsidy, in which case Government might consider it to be more in its interest to accept a vessel having lower, but suitable requirements. In this connection, the Committee wished to draw Government's attention to the suggestion made by the Government Tourist Board that prospective tenderers should be grant-aided. The Committee expressed the view that this was a matter of policy outside their terms of reference. They felt, however, that should Government decide to consider requests for a loan or grant to help in the construction or purchase of a suitable vessel this fact should be made public when the notice calling for tenders was issued.

Clause 37: The Committee understood that the directive given by the Hon. Minister of Trade, Industry and Agriculture that no passengers should be carried in the mail vehicle was the result of the representations made by the Mellieha Bus Owners to the effect that persons travelling between Valletta and Marfa should make use of the regular Mellieha Bus Service. The Committee saw no reason to disagree with this decision but wish to point out to Government that the resulting lower profits to the contractor will no doubt be reflected in a higher subsidy.

Clause 46: The Committee observed that the passenger fares had remained unchanged since the service was first introduced (over 30 years ago), and that, moreover, the fares fixed for the new contract would remain binding for the next ten years. In the circumstances the Committee felt that an increase of 50% on the present fares, i. e. First Class 3/-; Third Class 1/6 in lieu of 2/- and 1/- respectively as at present, would be reasonable. However this was mainly a matter of policy to be decided by Government particularly as it has a direct bearing on the question of subsidy.

The Committee further recommended that should Government decide that the current fares remain unchanged then the fares for the last return trips, specified in the second proviso of clause 9, should be doubled.

Finally I wish to point out that by letter minute reference OPM 271/50 dated 13th December, 1966 the Administrative Secretary requested a copy of the Conditions of the new contract as soon as they are drafted. I am accordingly enclosing a spare copy of the said Conditions for onward transmission to the Administrative Secretary.

Sd. (V. Leever)  
Accountant General

FORM OF TENDER

I/We, the undersigned, offer to carry out the service referred to in Advertisement No. \_\_\_\_\_ published by the Accountant General and Director of Contracts on the \_\_\_\_\_ in terms of the conditions therein mentioned and the Conditions of Contract thereto attached for a yearly subsidy of £ \_\_\_\_\_.

The rates to be charged for the transport of motor vehicles, as specified in Clause 7 of the published "Conditions of Contract", shall be as follows:-

- i) under 14 feet ..... £ \_\_\_\_\_
- ii) 14 feet to 16 feet inclusive ..... £ \_\_\_\_\_
- iii) over 16 feet ..... £ \_\_\_\_\_
- iv) motor cycles and motor scooters ..... £ \_\_\_\_\_

I/We undertake that this tender shall not be retracted or withdrawn for a period of two calendar months from the date of expiration of the period fixed for the presentation of tenders inclusively, but shall remain binding and may be accepted at any time during the said period of two calendar months.

Should my/our tender be accepted I/We further undertake to provide, within 6 days from the date of the Letter of Acceptance of tender, the security required in terms of Clause 50 of the published Conditions of Contract.

In terms of clause 5 of the Conditions of Contract I enclose a deposit to the amount of £500.

\_\_\_\_\_ Full Name of Tenderer .....

1/- Signature .....

Stamp Address .....

\_\_\_\_\_ Date ..... Age .....

Should the above tender be accepted I, the undersigned, offer to become surety in solidum with the said Tenderer for the due and exact fulfilment of the contract under the abovementioned conditions.

I further engage to become bound in solidum with the said tenderer for the payment of all the penalties set forth in the conditions above referred to.

I further undertake to secure all my obligations under this guarantee by a general hypothec on my property if so required by Government.

\_\_\_\_\_ Full Name of Surety .....

1/6 Signature .....

Stamp Address .....

\_\_\_\_\_ Date ..... Age .....

L-ARKIVJI NAZZJONALI TA' MALTA

CONDITIONS OF CONTRACT FOR THE TRANSPORT OF MAILS,  
PASSENGERS AND VEHICLES BETWEEN MALTA AND GOZO

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1. In consideration of an annual subsidy the contractor shall provide and maintain a vessel suitable in every respect for the carriage of mails passengers and vehicles between Malta and Gozo, and a motor vehicle for the carriage of mails between Malta and Ramla-l-Bir.

2. Tenderers shall submit plans with all dimensions and full description (including decks, passenger and vehicle accommodation, propelling machinery, life-saving equipment and toilet facilities) of the proposed contract vessel. A photograph of the proposed vessel should also be furnished.

3. Tenderers shall also submit a certificate issued by a surveyor of Lloyds Register of Shipping, or another classification society acceptable to the Government, testifying that the useful life of the contract vessel is not less than ten (10) years.

4. Tenderers are strongly advised to inspect and satisfy themselves regarding the berthing facilities, including the depth of water, at Ramla-l-Bir and Mgarr and at the alternative berthing facilities at St. Paul's Bay and Cirkewwa, Malta. Any constructional alterations to the berthing facilities will have to be carried out by, and at the expense of, the contractor after having obtained the approval of the Government.

5. No tender shall be considered unless it is signed by the tenderer and by a solvent person engaging to become bound with him in solidum for the due performance of the contract and unless it is accompanied by a deposit of £500 which in the case of each unsuccessful tenderer will be returned to him as soon as a tender is accepted.

In the case of the successful tenderer the said deposit shall be returned to him when and as soon as the relevant contract is signed.

6. The successful tenderer shall forfeit the said deposit of £500 should he or his surety fail to sign the contract within 3 days from the date of an intimation given to that effect:

Provided that the said tenderer and his surety shall be held to have bound themselves to an agreement, and may be compelled to carry out all the obligations arising from the acceptance of the tender, although a formal contract may not have been executed.

7. Tenderers/.....

7. Tenderers shall state in their tender:
- a) the yearly subsidy required;
  - b) the rates they propose to charge for the transport of motor vehicles of the following overall lengths:
    - i) under 14 feet
    - ii) 14 feet to 16 feet inclusive
    - iii) over 16 feet
    - iv) motor cycles and motor scooters.

Loaded commercial vehicles shall not be carried on board the vessel.

8. The contract shall be for a period of ten years commencing from the first day of November, 1967, or such later date as the Government may fix at its absolute discretion, provided such date shall not be later than six months from the 1st November, 1967.

9. The contractor shall be bound to perform a minimum of five return trips between Ramla-l-Bir and Mgarr daily during the period 1st April to 30th September inclusive and four return trips daily during the period 1st October to 31st March inclusive:

Provided that from the 1st June to the 31st August inclusive the contractor shall be bound to perform a minimum of six return trips on Saturdays and seven return trips on Sundays and Public Holidays:

Provided further that passenger fares at higher rates, which shall not exceed the ordinary fares by more than 50%, may be charged for the last return trip on Saturdays, Sundays and Public Holidays.

10. The trip between Ramla-l-Bir and Mgarr or vice versa shall be performed in not more than 30 minutes in fair weather.

11. The contractor may be required to undertake further trips, both in summer and/or winter, as the Commissioner of Police may deem necessary, without payment of additional subsidy or compensation.

12. Passenger accommodation shall be provided for not less than fifty (50) First Class passengers and six hundred (600) Third Class passengers with seating accommodation for each passenger of not less than 20 inches in width and with suitable protection against the elements.

13. Space/.....

13. Space shall be provided to carry thirty (30) average-sized motor vehicles. The space for the average car shall be 14 feet by 6 feet together with space to manoeuvre the vehicles on board the vessel.

14. Consideration may also be given by the Government at its absolute discretion for the provision of a vessel having lower requirements than those specified in clauses 11 and 12 above provided that the total passenger carrying capacity (seated and standing) will not be less than 650.

15. In case of emergency an ambulance shall have priority on the last vehicle or vehicles to book for any of the scheduled trips.

16. The vessel shall have a private lock-up cabin for medical and/or surgical cases sponsored by the Hospital Authorities or certified by a medical practitioner. The said cabin shall be large enough to accommodate a stretcher case and an attendant. Passengers using this cabin shall not be charged rates higher than those of 1st class passengers.

17. It shall be the duty of the contractor to see that the vessel shall be kept clean at all times and that the seating accommodation shall be clean and dry on all trips. The railings of the vessel shall be painted at least once a year.

18. The contractor may not refuse to take on board omnibuses and/or trucks if space is available, provided that the safety of the passengers and ship are in no way imperilled.

19. The vessel shall be provided with a jacking system for vehicles to the satisfaction of the Commissioner of Police.

20. The vessel shall have lock-up stowage for the carriage of mails.

21. The vessel shall be fitted with more than one propeller each of which shall be driven by a separate engine. Propelling machinery must not be of the coal-fired type. The engine shall be properly maintained so as to avoid excessive emission of smoke.

22. The contractor shall carry out on the vessel at his own expense any additions or alterations which the Government may from time to time consider necessary for the comfort of the passengers and for the safe conveyance, acceptance and delivery of mails and the safety thereof on board.

23. The/.....



23. The contractor shall be allowed to carry such goods as will not cause inconvenience to the passengers, provided they are stowed in a compartment separated from the passengers' accommodation by an efficient bulkhead. For the purpose of this clause the contractor shall abide by any order that may be given to him by the Government.

24. Livestock shall not be carried on board the vessel.

25. The contract vessel shall not be used for any other service without the consent of the Government.

26. The vessel shall be equipped with the required number of life-boats, life-jackets and buoyant apparatus as prescribed by the Board of Trade Regulations. Life jackets shall not be considered as suitable substitutes for the buoyant apparatus.

27. The vessel shall have first aid equipment to the satisfaction of the Chief Government Medical Officer.

28. The vessel shall be equipped with fire hoses and fire fighting equipment to the satisfaction of the Commissioner of Police.

29. The vessel shall be at all times seaworthy and fully equipped and shall be fitted with suitable mooring equipment and appropriate gangways.

30. The vessel shall be equipped with radio/telephone equipment in either the Medium Frequency or the V.H.F. Band.

31. The contractor shall provide at his expense boats for the embarkation and disembarkation of passengers when and where required.

32. The contractor shall provide another vessel acceptable to the Government for eventual substitution of the contract vessel in accordance with the terms of the contract. The said substitute vessel shall comply with the requirements specified for the contract vessel, or such lower requirements as the Government may accept, provided that the substitute vessel shall be suitable for carrying not less than 300 passengers and 6 motor vehicles. For the purpose of this clause the contractor shall submit with his tender full details of the proposed substitute vessel as required under clause 2 of these conditions in connexion with the contract vessel. A certificate as per clause 3 of these conditions shall also be submitted in respect of the substitute vessel.

33. The contract vessel shall only be substituted in the event of its suspension for dry docking, repairs or for any emergency, provided that such suspensions shall be certified as actually necessary by the Superintendent of Ports and reported by the contractor to the Commissioner of Police forthwith on such certification.

34. Subject to the provisions of clause 33 hereof, the contractor will be allowed to use the substitute vessel instead of the contract vessel for 21 days in any one calendar year, or for not more than 42 days in any two consecutive years. In respect of any occasion or occasions on which the substitute vessel is used beyond the permissible aggregate period of 21 days or 42 days in any two consecutive years, a reduction of 50% of the subsidy proportionate to that excess shall be made.

35. The substitute vessel shall be available at all times. It may, however, perform such other services as may be approved by the Government.

36. The contractor shall carry the mails between the General Post Office, Valletta and Ramla- l-Bir and Mgarr, Gozo, receiving and delivering them at the Valletta Post Office and Mgarr respectively, and vice-versa.

37. The contractor shall provide at his own expense a suitable motor vehicle to the satisfaction of the Postmaster General for carrying the mails from Valletta to Ramla- l-Bir and vice-versa. The vehicle shall have special accommodation for locking up the mails. Passengers shall not be carried on the vehicle.

38. The contractor shall be responsible for the safe custody and good preservation of the mails during the whole period intervening between the receipt and the delivery thereof, keeping it under lock and key to the satisfaction of the Postmaster General. He shall also be liable for any damage sustained by the mails whilst in his custody as a consequence of any wilful or negligent act or omission and shall, in addition to his obligation to make good such damages, be liable to a penalty, to be fixed by Government in such a manner that whether one or more penalties are inflicted under this clause, the total amount thereof shall not, within one year, exceed two hundred pounds.

39. In the event of stress of weather the contractor shall be required to run the service to or between other

points which/.....

points which may be decided on by the Commissioner of Police, without claim to compensation or increase in fares or charges, even if a longer route is involved. For the purpose of this clause the expression "Service" includes the mail motor vehicle, the contract vessel and its substitute.

40. The Government shall not license any other regular sea passenger service between the Marfa (Malta) area and Mgarr (Gozo), but permission may be granted for special trips on approved occasions provided no regular service is established.

41. The contractor shall not transfer or assign, directly or indirectly, the contract or any part, share or interest in it, or any amount due by the Government therefor to any person or persons without the prior consent in writing of the Government.

42. Any act or omission of any person in the employ of, or acting for or under, the contractor, shall be held to be an act or omission of the contractor whether the act or omission is or is not a consequence of a direct order given by, or behalf of, the contractor.

43. The vessel shall be manned by licensed personnel in accordance with any laws and/or regulations in force from time to time. It shall also have a sufficient crew necessary for her safe operation. Should it be considered that the vessel is not adequately manned the Superintendent of Ports shall determine the number of crew that should man the vessel.

44. The crew shall wear uniforms to the satisfaction of the Commissioner of Police. Such uniforms shall always be kept clean.

45. The wages, hours of work and conditions of labour of all work people employed by the contractor shall be not less favourable than those obtaining for work of a similar character or those laid down by any Wage Regulation Orders which may be in force from time to time.

46. Single fares shall not exceed 3s.0d. First Class and 1s.6d. Third Class. Children between 3 and 10 years of age shall pay not more than half fare.

47. The passenger fares and the rates for the transport of motor vehicles shall be exhibited at all times

in a conspicuous place or places, and in bold type, on board the vessel.

48. All time-tables for the vessel or the mail vehicle and any alterations thereof shall be fixed by Government at its discretion.

49. (1) The contract vessel shall be surveyed in terms of the provisions of the Code of Police Laws and any other laws and/or regulations in force from time to time. The declaration by the Surveyors shall be forwarded to the Government within a week of its receipt. The contractor shall not operate the vessel unless it is covered by and in accordance with any conditions or limitations imposed by the declarations of the Surveyors.

(ii) The Government may at all times cause the contract vessel to be surveyed and/or inspected by any person or persons selected by the Government for the purpose of ascertaining the vessel's seaworthiness and fitness and the fulfilment of the obligations undertaken by the contractor in terms of the contract.

(iii) The contractor shall carry out without delay any order from the Government as a result of the Surveyor's or Inspector's report, including any declaration or report provided for under sub-clauses (1) and (ii) hereof.

50. The contractor shall, within 6 days from the date of the Letter of Acceptance of tender, provide a security to the satisfaction, and in the name, of the Accountant General, by title of pledge in the amount of £2000 for the due performance of the obligations undertaken by him. The interest accruing from such security shall be withdrawable by the contractor when due.

51. The tenderer will have to prove that the vessel with which he proposes to run the service and the substitute vessel are owned by him unencumbered and free of any burden which could lead to his being dispossessed of the said vessels during the period of the contract.

52. Should the service not be started on the date fixed for its commencement, or should the service be suspended for more than one day at any time for any reason other than 'force majeure', the Government shall be entitled to consider the contract as abandoned by the contractor. In the case of abandonment of the contract as aforesaid or in any other manner, the Government shall have the right, within its

absolute discretion and without the necessity of prior legal proceedings or judicial authority:

- (i) either to claim a penalty of £10,000, or
- (ii) to take possession of the vessel/s used by the contractor in running the service and to run the service with the said vessel/s at the expense and risk of the contractor, or
- (iii) to make any other alternative arrangements for the running of the service at the expense and risk of the contractor.

Should the Government avail itself of the rights under (ii) or (iii) above, the contractor shall not be entitled to claim any compensation or reimbursement of expenses incurred by him or on his behalf in the running of the service.

53. For each failure to perform a journey either way the contractor shall, in addition to a proportionate reduction in the subsidy, incur a penalty of £50. If however, the failure is due to "force majeure", duly certified as such by the Superintendent of Ports, no reduction in the subsidy shall be made and no penalty shall be incurred.

54. For each breach of the Board of Trade Regulations or any other Law or Regulation for the carrying of passengers and/or cargo, the contractor shall be liable to a penalty not exceeding £10 in respect of each day or part of a day during which the infringement continues.

55. Failure to carry the mails in any one trip in which the mails are due to be carried shall render the contractor liable to a penalty of £10. In addition, the Postmaster General shall have the power to provide other means of conveyance at the contractor's expense, without the necessity of prior legal proceedings or judicial authority.

56. For each infringement of any of the obligations undertaken by the contractor (saving those otherwise expressly provided for) and for any non observance of the time-table the contractor shall incur a penalty of £1 to £5 to be fixed by the Government.

57. Any penalties or other amounts that may be due to Government by the contractor under any title may, without prejudice to any other remedy at law, be recovered by deduction from the subsidy.

58. The contractor shall at all times comply with any laws and/or regulations in force from time to time.

59. All disputes arising out of the contract shall be referred to, and be settled by, the Minister of Finance, Customs and Port whose decision shall be final and conclusive.

60. All Notarial fees and disbursements in connexion with the contract shall be borne by the contractor.

61. Should there be any discrepancy between these conditions and any of the conditions contained in the Treasury Notice, the Conditions of Contract shall be followed in preference to the conditions contained in the aforesaid Treasury Notice.

62. The Government is not bound to accept the lowest or any tender and shall not give reasons for the acceptance or rejection of a particular tender.

SIGNATURE OF TENDERER \_\_\_\_\_

SIGNATURE OF SURETY \_\_\_\_\_