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நிதி அமைச்சு
MINISTRY OF FINANCE

මහලේකම් කාර්යාලය, කොළඹ 01,
ශ්‍රී ලංකාව.

செயலகம், கொழும்பு 01.
இலங்கை

The Secretariat, Colombo 01.
Sri Lanka

කාර්යාලය } (94)-11-2484500
அலுவலகம் } (94)-11-2484600
Office } (94)-11-2484700

ෆැක්ස් }
பெக்ஸ் } (94)-11-2449823
Fax }

වෙබ් අඩවිය }
වෙබ් සයිට් } www.treasury.gov.lk
Website }

මගේ අංකය } PFD/PMD/Cir/Reg. contracts
எனது இல. }
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

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திகதி } 20 .09.2016
Date }

Public Finance Circular No: 04/2016(i)

All Secretaries to Ministries
Chief Secretaries of the Provincial Councils
Heads of Departments and District Secretaries
Heads of Local Government Authorities
Government Corporations, Statutory Boards
Chairmen of Government Owned Companies.

**Procurement of Works up to Rs.50 Million from Regional Contractors
Under Domestic Funds**

Your kind attention is drawn to the Public Finance Circular No.04/2016 dated 16.03.2016 on the caption "Procurement of Works up to Rs.50 Million from Regional Contractors under Domestic Funds".

02. The government intends to promote contractors in regions by encouraging them to participate in small and medium scale constructions and renovation works of the Government contracts in view of increasing employment opportunities in regions, develop capacity of the regional contractors, reduce income inequality, and minimizes delays in constructions and to utilize local resources at competitive cost within the regions, while maximizing the value for money for the government in construction/renovations in respective regions.

03. Although there are sufficient number of regional contractors who are capable to undertake various construction and renovation projects, it has been reported that such contracts are awarded to the large scale national level contractors. Therefore, government has decided to limit the invitation of bids for construction contracts of small scale with a value up to 50 million within regional contractors under the equivalent CIDA registration Grades mentioned below to ensure that the contractors of each level will be able to participate in constructions of such limits implemented under domestic funds.

Total cost estimate

CIDA Grade

- | | |
|--|-----------------------------------|
| i) Value below or equal Rs.2,000,000.00 | C ₉ |
| ii) Value below or equal Rs.5,000,000.00 | C ₈ |
| iii) Value below or equal Rs.10,000,000.00 and above Rs.5,000,000.00 | C ₇ |
| iv) Value below or equal Rs.25,000,000.00 and above Rs.10,000,000.00 | C ₆ and C ₅ |
| v) Value below or equal Rs.50,000,000.00 and above Rs.25,000,000.00 | C ₅ and C ₄ |

04. The administrative boundaries of the word “Regional” is defined as the respective provincial territory. In the event that the bidder is an individual, he/she shall be a resident of the respective province. In the case of a company its registered official address should be within the respective province.

05. When bids are invited (Invitations for Bids), you may insert the method of procurement as follows.

“Bidding will be conducted through National Competitive Bidding, however, limited to the bidders who registered within the administrative boundary of the province.

06. The Public Finance Circular No.04/2016 dated 16.03.2016 issued on this regard is hereby cancelled with effect from the date of this circular.

07. Any clarification on issues related to this circular may be obtained from the Director General of Department of Public Finance on Tel:011-2484614.



R.H.S. Samaratunga
Secretary to the Treasury