මුදල්, ක්‍රමසම්පාදන සහ ආර්ථික සංවර්ධන අමාත්‍යාංශය
நிதி, திட்டமிடல் மற்றும் பொருளாதார அபிவிருத்தி அமைச்சு
MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

මහලේකම් කාර්යාලය, කොළඹ 01, ශ්‍රී ලංකාව. | செயலகம், கொழும்பு 01, இலங்கை. | The Secretariat, Colombo 01, Sri Lanka.

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දිනය / திகதி / Date: 13.08.2026

Public Finance Circular No. : 03/2026 (i)

Secretaries to Ministries

Chief Secretaries of Provincial Councils

Heads of Departments and District Secretaries

Heads of Local Government Authorities

Chairmen of Government Corporations, Statutory Bodies and Government Owned Companies

Special Measures for Public Procurement to Mitigate the Impact of the Prevailing Global Conflict Situation and Ditwah Cyclone

01. This Circular shall be read with the Public Finance Circular No.3/2026 dated 2026.06.11.

02. In consideration of numerous requests received by the Treasury from the Provincial Councils with the recommendation of the Finance Commission, in particular it has been decided with the Concurrence of the National Procurement Commission to extend the period of applicability of relief to be provided to the Contractors /Suppliers set out under the aforementioned Circular from 01 st March 2026 to 31st March 2026 and to disclose the availability of Price Variation option for the procurements where the contract period is less than 3 months. .

Accordingly, Paragraph 3 (a) of the Public Finance Circular 03/2026 shall read as follows:

For the Procurements of goods, works, non-consulting services and consulting services, for which bids have been closed on or before 31st March 2026 and affected by the unstable situation in the Middle-East Region.

In the Paragraph 3 titled "Works Procurements and Contracts", item (i), of the Public Finance Circular No. 03/2026, shall read as follows:

In order to compensate the increased costs due to the price escalations resulted from the increase of fuel price and the prices of other construction materials in Works Contracts of 03 months or less, for which bids have been closed on or before 31st March 2026, the Government Institutions shall apply the CIDA "Simplified (Composite) Price Adjustment Formula" (which uses the composite Indices) to accommodate price adjustments arising from fluctuations in all construction inputs.

03. The following additional provisions have been incorporated into the item No 7 to the Public Finance Circular No. 03/2026 dated 2026.06.11

It is noted that, in terms of **Section 5.16 of the Procurement Guidelines for Goods, Works and Non-Consulting Services – 2024** and the corresponding Procurement Manual, there is no restriction on incorporating a price adjustment provision for contracts with a duration of less than three (03) months. Accordingly, where the Procuring Entity determines that the inclusion of a price adjustment provision is appropriate for a contract with a duration of less than three (03) months, such a provision shall be incorporated when preparing the bidding documents and contract documents for future procurements.

04. All others condition in the Public Finance Circular 03/2026 shall remain unchanged.

05. For further clarification, you may contact the Procurement Division of the Public Finance Department on 011 2484614, 011 2484618 or 011 2484987.

Dr. Harshana Suriyapperuma
Secretary to the Treasury

Copies:

1. Chairman, National Procurement Commission
2. Chairman, Finance Commission
3. Secretary to the President
4. Secretary to the Prime Minister
5. Secretary to the Cabinet of Ministers
6. Auditor General