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The Gazette of the Democratic Socialist Republic of Sri Lanka

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PART I : SECTION (I) — GENERAL

Government Notifications

NATIONAL PROCUREMENT COMMISSION OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Procurement Guidelines - 2024 on Goods, Works, and Non-Consulting Services

Published by the National Procurement Commission in terms of Article 156c.(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka

Guidelines for the Procurement of Goods, Works, and Non-Consulting Services by Government Institutions and for matters connected therewith and incidental thereto.

THE National Procurement Commission, in the performance of functions assigned thereto under Article 156c.(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka, hereby publishes these Guidelines for the Procurement of Goods, Works, and Non-Consulting Services by Government Institutions and for matters connected therewith and incidental thereto.

From the date of their coming into operation, these Guidelines will replace and supersede the “Procurement Guidelines - 2006, Goods and Works,” issued by the National Procurement Agency, along with all related Procurement Manuals, Supplements, Circulars, and Instructions issued by the National Procurement Agency and the General Treasury. These Guidelines issued in respect of the Procurement of Goods, Works and Non-Consulting Services shall come into effect on 01st January, 2025.

The National Procurement Commission will interpret these Guidelines and clarify any matters related to public procurement not covered by these Guidelines.

By order of the National Procurement Commission,

D. C. Siribaddana,
Secretary General,
National Procurement Commission.

25th November, 2024.



PROCUREMENT GUIDELINES - 2024
GOODS, WORKS, AND NON-CONSULTING SERVICES
NATIONAL PROCUREMENT COMMISSION

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DEFINITIONS

Unless the context otherwise requires the following terms whenever used in these Procurement Guidelines have the following meanings:

“Action Plan”	Means a work plan of a Government Institution for the year under consideration, based on the medium-term budgetary framework approved by the Parliament. In relation to State Owned Enterprises (SOE), a work plan for the year under consideration is based on the Corporate Plan approved by the Board of Directors, and for Provincial Councils and Local Authorities, an Action Plan means the work plan approved by the respective Authority for the year under consideration.
“Bid/Proposal/Quotation”	Means an offer, by a firm, joint venture, or any other party or parties in response to a Request for Bids/Proposals/Quotations, to provide the required Goods, Works, or Services.
“Bidder”	Means a natural person, legal person, or joint venture that submits a bid for Goods, Works, or Services in response to a Request for Bids/Proposals/Quotations.
“Detailed Annual Procurement Plan”	Means a subset of the Master Procurement Plan which lists out the procurements planned to be carried out during a particular financial year, with due emphasis on available budgetary provisions and planned timelines for the completion of critical milestones pertaining to each procurement.
“Effective Date”	Means the date on which these Procurement Guidelines will become effective, replacing all Procurement Guidelines, Procurement Manual, and Supplements as well as any related Circulars and Directives as prevalent on that date. The Effective Date shall be a date specified by the National Procurement Commission (NPC) after the <i>Gazette</i> notification issuance.
“e-GP”	Means the use of Information and Communication Technology by the Government of Sri Lanka in the process of procuring Goods, Works, and Services required by the Public Sector, while ensuring adherence to the Public Procurement principles.
“Foreign Funding Agency”	Means any multi-lateral or bi-lateral agency that has entered or intends to enter into an agreement with the Government of Sri Lanka for financing a project or a program.
“Foreign Funded Project”	Means any project that is fully or partly financed by a Foreign Funding Agency/Foreign Funding Agencies.
“Framework Agreement”	Means an agreement with one or more parties that establishes the terms and conditions which govern any contract awarded during the term of the said agreement.

“Fraud and Corruption”

Means any activity such as corruption, fraud, collusion, coercion, or obstruction that is contrary to the achievement of objectives of Public Procurement, and the acts and/or omissions as stipulated as an offence under the Anti-Corruption Act, No. 09 of 2023 by any person or entity connected to the procurement process in any manner including a person who holds the position of trust.

“Goods”

Means all commodities, raw materials, products, plants and machinery, motor vehicles, equipment, livestock, and other physical objects of every description, whether in solid, liquid, gaseous, or living form.

“Government Institution”

Includes the office of the Secretary to the President, the office of the Secretary to the Prime Minister, the office of the Secretary to the Cabinet of Ministers, the offices of the Ministers appointed under Article 44 or 45 of the Constitution of Sri Lanka, the Judicial Service Commission, the Constitutional Council, the Commissions referred to in the Schedule to Article 41B of the Constitution, the Parliamentary Commissioner for Administration, the Secretary General of Parliament, Ministries, Government Departments, Provincial Councils, local Authorities, Public Corporations, business or other undertakings vested in the Government under any written law and Companies registered or deemed to be registered under the Companies Act, No. 7 of 2007, in which the Government, a public corporation or local authority holds more than fifty per centum of the shares of that company.

“Information System”

Means an organized system consisting of an integrated group of components of software, hardware, and networks for the collection, organization, storage, processing of data, and communication of information.

“Information Technology”

Means the development, maintenance, and use of computer systems, software, and networks for the processing and distribution of data.

“In Writing”

Means communicating or reporting in written form which includes mail, electronic mail (e-mail), fax, reports, documents, and any other form of electronic communication to be accurate, reliable, accessible, secure, ensure confidentiality, and have a sufficient audit trail.

“Master Procurement Plan”

Means a plan prepared by the Procurement Entity by listing all procurements envisaged to be carried out during a period of three (03) years in a medium-term budgetary framework, with tentative timelines to carry out such procurements.

“Non-consulting Services”

Means Services, including supply of electricity, water, telecommunication and internet, cleaning, security, cargo clearance, utility services, and services other than Consulting Services.

“Public Procurement”	Means acquisition of Goods, Works, Services, and Information Systems by Procuring Entities through the most appropriate means, using public funds or funds received from any other local or foreign source as loans, grants, gifts, donations, or contributions. It includes purchase, rental, taking on lease, or hire purchase including services incidental to the provision of the said Goods, Services or the execution of the Works and acquisition of assets.
“Procurement Action”	Means any action in furtherance of Public Procurement.
“Procurement Documents”	Means all documents related to the Public Procurement whether in hard or electronic forms including General Procurement Notice (GPN), Special Procurement Notice (SPN), Requests for Bids (RFB), Addenda, Contract Forms, Expression of Interest (EOI), Request for Quotation (RFQ), Request for Proposal (RFP), and all the other forms of different documents used in Public Procurement.
“Procuring Entity”	Means a Government Institution that engages in Public Procurement.
“Procurement Guidelines”	Means Guidelines published by the National Procurement Commission for Procurement of Goods, Works, and Non-consulting Services.
“Procurement Manual”	Means a detailed operational manual published by the National Procurement Commission on procurement procedures relating to Public Procurement.
“Procurement Process”	Means a process that commences with the identification of needs and continues through planning, preparation of Procurement Documents, selection, the award of the contract and implementation.
“Procurement Time Schedule”	Means a schedule that is prepared by a Procurement Entity depicting the specific dates to accomplish each procurement action from commencement to the award of the contract related to a particular procurement.
“Variation Review Committee”	Means a committee appointed by the respective authority to review and consider variations to a contract.
“Works”	Means a category of procurement that includes construction, repair, refurbishment, renovation, rehabilitation, restoration, maintenance, and demolition of buildings, infrastructure, and civil work structures.

ACRONYMS

AC	Acceptance Committee
AO	Accounting Officer
BEC	Bid Evaluation Committee
BOQ	Bill of Quantities
BOC	Bid Opening Committee
CAO	Chief Accounting Officer
HLPC	High Level Procurement Committee
CBO	Community Based Organizations
CIDA	Constructions Industry Development Authority
DC	Direct Contracting
DPC	Department Procurement Committee
e-GP	Electronic Government Procurement
FFA	Foreign Funding Agency
FFP	Foreign Funded Project
GI	Government Institutions
GOSL	Government of Sri Lanka
GPP	Green Public Procurement
GPN	General Procurement Notice
HD	Head of Department
ICB	International Competitive Bidding
IS	Information System
LIB	Limited International Competitive Bidding
LNB	Limited National Competitive Bidding
LKR	Sri Lanka Rupees
MPC	Ministry Procurement Committee
MPP	Master Procurement Plan
NPA	National Procurement Agency

NCB	National Competitive Bidding
NPC	National Procurement Commission
PAB	Procurement Appeal Board
PAC	Procurement Appeal Committee
PC	Procurement Committee
PD	Project Director
PE	Procuring Entity
PFM	Public Finance Management
PMD	Procurement Management Division
PPP	Public-Private Partnership
PTS	Procurement Time Schedule
RFP	Request for Proposal
RFQ	Request for Quotations
RPC	Regional Procurement Committee
SHLPC	Standing High Level Procurement Committee
SOE	State Owned Enterprises
SPD	Standard Procurement Document
SPN	Special Procurement Notice
SPP	Sustainable Public Procurement
TCE	Total Cost Estimate
VAT	Value Added Tax
VFM	Value for Money
VRC	Variation Review Committee

CHAPTER 01 – GENERAL

<p>1.1 Purpose</p>	<p>Refer Manual 1.1</p>
<p>The purpose of these Procurement Guidelines published by the National Procurement Commission in exercising its functions in terms of Article 156 C of the Constitution of the Democratic Socialist Republic of Sri Lanka is to establish Guidelines to be followed in Public Procurement to ensure adherence to the principles of procurement defined in these Guidelines by Government Institutions when procuring Goods, Works, and Non-consulting Services. These Guidelines shall be used along with the provisions of the relevant Laws enacted from time to time by the Parliament or the Financial Regulations issued from time to time by the Government of Sri Lanka (GOSL) on Public Procurement and Public Finance Management (PFM). Further details including the procedures, authority limits, threshold limits, explanations, and time schedules that are relevant to provisions of these Procurement Guidelines are stipulated in the Procurement Manual.</p> <p>These Guidelines emphasise the importance of Value for Money (VFM), which can be achieved through economy, efficiency, effectiveness, and equity in the use of resources, evaluation of relevant costs and benefits, and assessment of risks, non-price attributes and/or life cycle costs as appropriate and adherence to Procurement Processes based on fairness, integrity, equity, transparency, competitiveness, and accountability.</p> <p>In addition to the aforementioned Guidelines, NPC will from time to time introduce other Guidelines including, Guidelines for;</p> <ul style="list-style-type: none"> i. Selection and Employment of Consultants; ii. Public-Private Partnership; iii. Pharmaceutical and Medical Devices of Consumable Nature; and iv. Contract Management. <p>However, the Principles of Public Procurement stipulated in these Procurement Guidelines shall take precedence over all such other Guidelines.</p>	
<p>1.2 Objective</p>	<p>Refer Manual 1.2</p>
<p>The objective of these Procurement Guidelines is to ensure adherence to the following during the Procurement Process;</p> <ul style="list-style-type: none"> (a) Principles of Public Procurement; (b) Value for Money; (c) Optimum use of budgetary resources; (d) Prescribed standards, specifications, rules, and regulations; (e) Competitiveness and cost-effectiveness; 	

<ul style="list-style-type: none"> (f) Providing fair and equal opportunity for eligible and interested parties to participate in procurement; (g) Expeditious execution of Works, delivery of Goods, and Non-consulting Services; (h) Compliance with other relevant obligations and commitments; (i) Using the electronic Government Procurement (e-GP) system; (j) Promoting social well-being and supporting sustainable development through application of Sustainable Public Procurement (SPP) principles; (k) Enhancing stakeholder trust and confidence in the entire Procurement Process; and (l) Maintaining consistency in the use of procurement procedures among Procuring Entities (PEs). 	
<p>1.3 Principles of Public Procurement</p>	
<p>1.3.1 Primary Principles of Public Procurement</p>	
<p>Primary Principles of Public Procurement mainly emphasize Value for Money (VFM). VFM is the achievement of the desired outcomes of the procurement at the most optimum price, not necessarily the lowest price based on a balanced judgment of financial and non-financial factors relevant to the procurement. VFM includes the following;</p> <p>(a) Economy;</p> <p>Economy is spending less, considering the necessity to handle public funds with care and due diligence to ensure that the prices paid for Goods, Works and Services are fair and reasonable with appropriate quality and provide excellent value for the public funds used to procure them in order to meet the functional requirement. Economy does not necessarily mean the lowest cost/price.</p>	
<p>(b) Efficiency;</p> <p>Efficiency is the careful consideration of the relationship between the financial and non-financial resources expended in the procurement of Goods, Works and Services and the results/outputs of the procurement.</p> <p>(c) Effectiveness;</p> <p>Effectiveness is spending wisely to achieve the intended outcome of public funds.</p> <p>(d) Equity;</p> <p>Equity is spending fairly to ensure that Goods, Works, and Services are available and accessible to all relevant stakeholders.</p>	

<p>1.3.2 Other Principles of Public Procurement</p>	
<p>(a) Transparency;</p> <p>Transparency in Public Procurement means that information on the public Procurement Process must be available to all relevant stakeholders such as contractors, suppliers, service providers and the general public at large, unless there are valid and legal reasons to keep certain information confidential.</p> <p>(b) Integrity;</p> <p>Integrity is related to the ethical values of honesty and truthfulness. It is considered a key instrument to promote good governance in Public Procurement. It demonstrates a strong character imbued with moral principles and conviction to do the right thing even in difficult circumstances in line with the organizational values. Integrity is the use of funds, resources, assets, and authority, according to the intended Officer purposes in line with public interest.</p> <p>(c) Fairness;</p> <p>Fairness means reasonableness and impartiality. Fairness operates in a manner that is perceived as offering an equal opportunity for bidders to win contracts in accordance with an agreed set of rules that are not “prejudiced” against bidders.</p> <p>(d) Openness;</p> <p>Openness means that, given the use of public funds, Public Procurement opportunities should be open to all qualified firms and individuals, and the public should have access to information pertaining to Public Procurement.</p> <p>(e) Cost-effectiveness;</p> <p>Cost-effectiveness is the use of resources to achieve the intended outcome. Cost-effective procurement is the process of obtaining Goods, Works, or Services in the most efficient and economical way.</p> <p>(f) Competitiveness;</p> <p>In relation to Public Procurement, competitiveness means giving all qualified potential bidders the maximum opportunity to participate in the Procurement Process by providing sufficient time and adequate information about the needs of the Procuring Entity.</p> <p>(g) Accountability;</p> <p>Accountability is undertaking responsibility for actions taken and being accountable for those actions.</p>	

1.4 Scope of Application	Refer Manual 1.4
<p>These Guidelines are applicable to all procurements that are carried out by the Government Institutions, except those relating to disposal of inventory items and divestiture of public assets. Provincial Councils shall also adopt these Guidelines in consultation with the NPC, with necessary amendments to the financial authority levels in conjunction with the delegated financial authorities under the relevant Provincial Council.</p> <p>(a) The Public Procurement Process entails;</p> <ul style="list-style-type: none"> i. Procurement planning and preparatory activities; ii. Pre-contract activities; and iii. Post-contract activities (Contract Management). <p>(b) These Procurement Guidelines cover procurement planning including preparatory activities and pre-contract activities.</p> <p>(c) However, provisions relating to post-contract activities are stipulated in the Contract Management Guidelines.</p> <p>(d) These Procurement Guidelines;</p> <ul style="list-style-type: none"> i. Constitute the procurement procedures to be followed, and are mandatorily applicable to all procurements carried out by the Government Institutions (GI). ii. Repeal, replace, or otherwise supersede Procurement Guidelines, 2006 Goods and Works and the Manual issued by the National Procurement Agency (NPA) and the related supplements and circulars issued by NPA and the General Treasury. iii. Take effect and come into operation on a date (Effective Date) as specified by the NPC which shall be after issuance of the <i>Gazette</i> notification. iv. After obtaining the approval of the NPC, are to be placed before Parliament in line with the provisions of Article 156 C. (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. <p>(e) Any Procurement Action that has commenced prior to the Effective Date of these Procurement Guidelines shall continue under the Procurement Guidelines – 2006, Goods and Works, and the Manual up to the award of the contract. The Procuring Entity may seek direction from the NPC in the event a clarification is necessary.-</p> <p>(f) Details including procedures, authority limits, threshold limits, explanations, and time schedules that are relevant to provisions of these Procurement Guidelines are stipulated in the Procurement Manual and shall be read in conjunction with these Procurement Guidelines. The Manual will be issued and updated periodically by the NPC.</p>	

1.4.1 Guidelines of Foreign Funding Agencies	Refer Manual 1.4.1
<p>(a) In the case of Foreign Funded Projects, if the Foreign Funding Agency makes it mandatory to use Procurement Regulations/ Guidelines of such Foreign Funding Agency, such Regulations/Guidelines shall prevail over these Procurement Guidelines to the extent applicable.</p> <p>(b) In the event of a conflict between these Procurement Guidelines and those of a Foreign Funding Agency, the Regulations/Guidelines of the latter shall take precedence.</p> <p>(c) In the event these Procurement Guidelines specify additional steps, not specified in the Guidelines of the relevant Foreign Funding Agency, the PE shall bring that to the notice of the Foreign Funding Agency and apply those provisions with the concurrence of the respective Foreign Funding Agency.</p>	
1.5 Ethics of Public Procurement	Refer Manual 1.5
<p>(a) Parties associated with the Procurement Process including officers of the Procurement Entity (PE), members of the Procurement Committees (PCs), Bid Evaluation Committees (BECs), Acceptance Committees (ACs), and Variation Review Committees (VRCs) as well as any bidders, suppliers, contractors, service providers, sub-contractors, agents, consultants and of their personnel should observe the highest standards of ethics during the Procurement Process and execution of such contracts.</p> <p>(b) Ethics would include standards of conduct and norms of behaviour as sought to be defined and imposed by relevant laws, regulations, and codes generally applicable to such persons concerning their general discharge of duties and in relation to their activities carried out in connection with Public Procurements.</p> <p>(c) It shall be mandatory for all Bidders to submit a declaration along with their bid stating that;</p> <ol style="list-style-type: none"> i. There is no conflict of interest; ii. Only one bid is submitted; and iii. There is no involvement in collusive practices. <p>(d) Public Officers involved in any Public Procurement shall submit a declaration that they have no conflict of interest in connection with such Public Procurement.</p>	
1.5.1 Confidentiality	
<p>All parties associated with procurement activities shall maintain strict confidentiality throughout the Procurement Process. No disclosure of confidential information should be made except when required in terms of any applicable law.</p>	
1.5.2 Prohibited Practices	
<p>All parties including the policy and decision-makers, officers, bidders, contractors, service providers, suppliers, any sub-contractors, any agents, and any of their personnel shall observe the highest standards of ethics during the Procurement Process and contract execution and refrain from corrupt, fraudulent, collusive, coercive and obstructive practices in participating in the Procurement Process.</p>	

<p>For this provision, the meaning of the terms set forth below are as follows;</p> <p>(a) Corrupt Practice “Corrupt Practice” is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party;</p> <p>(b) Fraudulent Practice “Fraudulent Practice” is any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;</p> <p>(c) Collusive Practice “Collusive Practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party. The improper purpose would include any attempt to adversely influence competition and/or the price through bid rigging which is a practice in which competing parties collude to determine the winner of a bidding process.</p> <p>(d) Coercive Practice “Coercive Practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;</p> <p>(e) Obstructive Actions “Obstructive Actions” mean destruction of facts/documents, submission of fake/false information, alteration, amendment, and/or concealment in a manner that interferes with Public Procurement.</p>	
<p>1.5.3 Sanction for Involvement in Prohibited Practices</p>	<p>Refer Manual 1.5.3</p>
<p>(a) If the involvement in any of the prohibited practices referred to above, is confirmed through a formal inquiry, sanctions including debarring from that procurement and/or eligibility for participation in future procurements may be imposed on bidders, suppliers, contractors, and officers who hold any paid office under the Government of Sri Lanka and any other person directly or indirectly involved in Public Procurement.</p> <p>(b) In addition, such persons shall be reported to the relevant authorities for appropriate action.</p>	
<p>1.5.4 Conflict of Interest</p>	<p>Refer Manual 1.5.4</p>
<p>(a) “Conflict of Interest” is any situation where the personal or business interests of any person in a Public Procurement transaction would adversely affect the interests of a Procurement Entity in achieving VFM and adhering to Public Procurement Principles.</p> <p>(b) Public officers and individuals involved in Public Procurement shall declare any conflict of interest to the relevant PE before the commencement of the relevant Procurement Process and shall refrain from participating in such procurement.</p> <p>(c) In this regard, Section 107 of the Anti-Corruption Act, No. 09 of 2023 shall be adhered to.</p>	
<p>1.6 Laws Applicable to Public Procurement</p>	
<p>The laws applicable to Public Procurement shall be the laws of the Democratic Socialist Republic of Sri Lanka.</p>	

CHAPTER 02 - GOVERNANCE OF PROCUREMENT ACTIONS

The governance of procurement actions shall be managed by the Procuring Entities through clear and transparent lines of authority to confirm accountability with clear definitions of the roles and responsibilities of each party.

<p>2.1 National Procurement Commission</p>	<p>Refer Manual 2.1</p>
<p>(a) The National Procurement Commission (NPC) has been established under Article 156 B. (1) of Chapter XIX B. of the Constitution of the Democratic Socialist Republic of Sri Lanka. It is the function of the NPC to formulate fair, equitable, transparent, competitive, and cost-effective procedures and Guidelines, for the procurement of Goods and Services, Works, Consultancy Services, and Information Systems by Government Institutions.</p> <p>(b) NPC is the highest authority for the governance of Public Procurement implemented by Government Institutions. Therefore, any clarifications on the provisions of these Procurement Guidelines and related documents shall be sought from the NPC.</p>	
<p>2.1.1 Role and Responsibility of the National Procurement Commission</p>	<p>Refer Manual 2.1</p>
<p>The role and responsibility of the NPC are to ensure the formulation of Procurement Guidelines and practices, Monitor and Investigate procurement actions of Procuring Entities to guarantee the implementation of such Guidelines and best practices by Government Institutions, assessment of procurement capacity of Government Institutions, procurement capacity building and reporting to appropriate authorities on procurement performance of Procuring Entities and individuals.</p>	
<p>2.2 Role and Responsibility of Chief Accounting Officer and Accounting Officer</p>	<p>Refer Manual 2.2</p>
<p>(a) The role and responsibility for the entire Procurement Process, from procurement planning and preparatory activities, pre-contract activities to post-contract activities (Contract Management) shall be vested with the Secretaries of the respective Ministries, who are deemed to be the Chief Accounting Officers (CAOs) of such Ministries and the Accounting Officers (AOs) of respective Departments and Other Government Institutions.</p> <p>(b) If any GI does not come under the purview of a Ministry, the responsibility of the entire Procurement Process shall be vested with the relevant Head of the Institution.</p>	
<p>2.3 Role and Responsibility of Procuring Entity</p>	<p>Refer Manual 2.3</p>
<p>Secretaries to the Ministries, Heads of Departments/Institutions, and Project Directors together with the assistance of the consultants and other relevant officers who are involved in procurement decision making shall be responsible for the following activities;</p> <ol style="list-style-type: none"> i. Establishing a Procurement Management Division (PMD); ii. Procurement planning and preparatory activities; iii. Pre-contract activities; and iv. Post-contract activities (Contract Management). 	

<p>2.4 Role and Responsibility of Procurement Committees and Bid Evaluation Committees</p>	<p>Refer Manual 2.4</p>
<p>(a) Members of a Procurement Committee (PC) and a Bid Evaluation Committee (BEC) are jointly and severally responsible for Procurement Actions up to the determination of the contract award and shall not assign such responsibilities to any other party/person who is not a member of such committee.</p> <p>(b) Members of a PC and/or a BEC shall not be responsible for matters arising during the execution and management of a Contract.</p>	
<p>2.5 Role and Responsibility of the Acceptance Committee</p>	<p>Refer Manual 2.5</p>
<p>(a) The Acceptance Committee (AC) which is appointed by the CAO/AO is the authorized committee to accept the Goods, Works, and Non-consulting Services on behalf of the PE in relation to a particular procurement.</p> <p>(b) AC is responsible for ensuring that Goods, Works, and Non-consulting Services are in compliance with the specific quantity, quality, delivery/completion time, and contract value stated in the awarded contract and to report any deviations observed. Further, AC shall check and verify the documentary evidence of ownership of assets and inventory records.</p>	
<p>2.6 Appointment of Procurement Committees, Bid Evaluation Committees, and Acceptance Committees</p>	<p>Refer Manual 2.6</p>
<p>(a) There shall be PCs to handle the Procurement Process for determination of contract award.</p> <p>(b) Appointing of a BEC is mandatory only for the procurements under the High Level Procurement Committee (HLPC) and Standing High Level Procurement Committee (SHLPC).</p> <p>(c) BECs for MPC, DPC, PPC, and RPC may be appointed by the appointing authorities as stipulated in the Procurement Manual in order to perform specific functions delegated by the Procurement Committees in the Procurement Process, as appropriate.</p> <p>(d) The following PCs shall be appointed as per the respective authority limits as specified in the Procurement Manual.</p> <ul style="list-style-type: none"> i. High Level Procurement Committee (HLPC) ii. Standing High Level Procurement Committee (SHLPC) iii. Ministry Procurement Committee (MPC) iv. Department Procurement Committee (DPC) v. Project Procurement Committee (PPC) vi. Regional Procurement Committee (RPC) <p>(e) In the case of MPCs, DPCs, and RPCs, CAOs and AOs are permitted to appoint minor procurement committee/s to deal with low-value procurements under each level, within the respective threshold.</p> <p>(f) The Acceptance Committee shall be appointed by the CAO/AO, as appropriate.</p>	

2.7 Procurement Committees	Refer Manual 2.7
2.7.1 High Level Procurement Committee	Refer Manual 2.7.1
<p>(a) The High Level Procurement Committee (HLPC) shall be authorized to handle procurements under the highest financial authority level. HLPC shall be appointed by the Secretary to the Treasury under the delegated authority of the Cabinet of Ministers with the concurrence of the NPC for the suitability of such members.</p> <p>(b) HLPC shall be assisted by a BEC appointed by the Secretary to the Treasury, considering the nominations of the PE.</p> <p>(c) The appointing authority should make all possible efforts to limit the number of same-level procurements that will be assigned to a particular member of the HLPC not to exceed six (06) procurements, at a time.</p>	
2.7.2 Standing High Level Procurement Committee	Refer Manual 2.7.2
<p>(a) The Standing High Level Procurement Committee (SHLPC) shall be appointed by the Secretary to the Treasury under the delegated authority of the Cabinet of Ministers, by considering the exceptional nature of the procurement, such as procurement of fertilizer, petroleum products, and highly technical and complex defence requisites, with the concurrence of the NPC.</p> <p>(b) BECs to assist SHLPCs shall be appointed by the Secretary to the Treasury, considering the nominations received from the PE.</p>	
2.7.3 Ministry Procurement Committee	Refer Manual 2.7.3
<p>(a) The Ministry Procurement Committee (MPC) shall be appointed to handle procurements within prescribed financial authority limits and the appointing authority is the Chief Accounting Officer (CAO).</p> <p>(b) MPCs shall be appointed annually at the beginning of the financial year.</p> <p>(c) However, MPCs may be reconstituted within the financial year depending on the specific requirements of the procurement.</p> <p>(d) BECs may be appointed by the CAO/Ministry Secretary to assist the MPC, considering its requirements.</p> <p>(e) When the MPC is not assisted by a BEC, the MPC shall consist of subject matter specialists.</p>	

<p>2.7.4 Department Procurement Committee</p>	<p>Refer Manual 2.7.4</p>
<p>(a) The Department Procurement Committee (DPC) shall be appointed to handle procurements within prescribed financial authority limits and the appointing authority is the CAO/Secretary to the Ministry.</p> <p>(b) However, the AO can appoint a DPC with the delegated financial authority of the CAO.</p> <p>(c) BECs may be appointed by the AO to assist the DPC, considering its requirements.</p> <p>(d) When the DPC is not assisted by a BEC, the DPC shall consist of subject matter specialists in the DPC.</p>	
<p>2.7.5 Project Procurement Committee</p>	<p>Refer Manual 2.7.5</p>
<p>(a) The Project Procurement Committee (PPC) shall be appointed to handle procurement within prescribed authority limits and the appointing authority is the CAO/Secretary to the Ministry or AO, as appropriate, depending on which entity supervises the project. However, the PPC can be appointed by the Project Director with the delegated authority of CAO/AO, as appropriate.</p> <p>(b) BECs may be appointed by the PD with the concurrence of CAO/AO to assist the PPC, considering its requirements.</p> <p>(c) When the PPC is not assisted by a BEC, the PPC shall consist of subject matter specialists.</p> <p>(d) PPCs under public corporations, boards, and statutory bodies shall be appointed with the approval of the CAO/Secretary to the Ministry or AO, as appropriate.</p>	
<p>2.7.6 Regional Procurement Committee</p>	<p>Refer Manual 2.7.6</p>
<p>(a) The Regional Procurement Committee (RPC) shall be appointed to handle procurements within prescribed financial authority limits and the appointing authority is the CAO/AO, as appropriate.</p> <p>(b) BECs may be appointed by the CAO/AO to assist the RPC, considering its requirements.</p> <p>(c) When the RPC is not assisted by a BEC, the RPC shall consist of subject matter specialists.</p> <p>(d) RPCs under public corporations, boards, and statutory bodies shall be appointed, with the approval of the CAO/AO, as appropriate.</p>	
<p>2.8 Payments for Members of Procurement Committees, Bid Evaluation Committees and Acceptance Committees, Staff Officers, and Other Officers Assisting in the Procurement Process</p>	<p>Refer Manual 2.8</p>
<p>(a) Members of the PCs, BECs, ACs, alternate members, staff officers and other officers with specific responsibilities assigned under these Guidelines shall be paid for their participation in the Procurement Process.</p> <p>(b) The payments shall be based on the performance of such committees and individuals and the eligible payments shall be as determined by the NPC, in consultation with the General Treasury.</p>	

2.9 Authority Limits for Contract Awarding	Refer Manual 2.9
<p>(a) Public Procurement is administered through the PCs established at different levels with varying financial thresholds to make recommendations/determinations of contract awards.</p> <p>(b) PCs/BECs shall be appointed depending on the Total Cost Estimate (TCE) of the relevant procurement including VAT.</p> <p>(c) In the event;</p> <ul style="list-style-type: none"> i. All bids submitted for a particular procurement are higher than the authority level of the respective PC; or ii. The bid price recommended according to the bid evaluation is higher than the authority level of the respective PC; <p>The PC shall evaluate and submit its observations to the PE to refer the particular procurement to the next appropriate authority level.</p> <p>The PC of the next higher authority level shall assess the Procurement Process followed by the initial PC and if satisfied that the initial PC has followed the provisions of these Guidelines, then the higher-level PC may proceed with the Procurement Process.</p> <p>However, if the higher-level PC is not satisfied with the procedures followed by the initial PC, then the higher-level PC shall recommend cancellation of the procurement to the PE providing justifications.</p> <p>In the event where a need arises for the relevant PE to engage in any procurement action exceeding the relevant financial authority limit due to emergency procurements (Section 3.1.8 of the Procurement Guidelines), the procedure stipulated in Section 2.9.A. of the Procurement Manual (Authority Limit for Deviating from Procurement Procedure) shall be followed.</p>	

CHAPTER 03 - PROCUREMENT METHODS & BIDDING PROCEDURES

Competitive bidding is the basis for economical and efficient Public Procurement. However, depending on the nature and size of the procurement, PE may select the appropriate procurement method out of the following methods to procure Goods, Works, and Non-consulting Services.

<p>3.1 Procurement Methods</p>	<p>Refer Manual 3.1</p>
<ul style="list-style-type: none"> i. International Competitive Bidding ii. National Competitive Bidding iii. Limited International Competitive Bidding iv. Limited National Competitive Bidding v. Shopping/Request for Quotation - (National & International) vi. Direct Contracting vii. Force Account viii. Emergency Procurement ix. Community Participation in Work Contracts x. Procurement Under Co-financing 	
<p>3.1.1 International Competitive Bidding</p>	<p>Refer Manual 3.1.1</p>
<ul style="list-style-type: none"> (a) International Competitive Bidding (ICB) may be the appropriate method for large contracts as stipulated in the Procurement Manual. (b) The purpose of ICB is to provide a level playing field for all prospective qualified bidders worldwide in order to reap the ultimate benefit of the PE through enhanced market competition. Bidding opportunities must be advertised internationally to ensure maximum participation. (c) The ICB method shall also be used; <ul style="list-style-type: none"> i. Irrespective of the value, when the capacity of the domestic contractors, suppliers, and service providers are limited and/or the advantage of ICB is evident; and/or ii. For Foreign Funded Projects, when the Foreign Funding Agency agreement requires the PE to resort to ICB procedures. (d) However, in the case of Works contracts with the objective of developing the domestic construction industry, the possibility of Slicing the contract to suit domestic contractors, may be considered. 	

<p>(e) Local entities are also allowed to submit a Bid/Proposal for procurements under ICB.</p> <p>(f) Provisions of domestic preference shall be used wherever possible.</p> <p>(g) All conditions applicable in connection with Public Procurement including currencies, taxes, and other statutory levies except domestic preference shall apply equally to foreign and domestic bidders.</p>	
<p>3.1.2 National Competitive Bidding</p>	<p>Refer Manual 3.1.2</p>
<p>(a) National Competitive Bidding (NCB) is the competitive procurement method that shall be generally applicable for most GOSL-funded projects when the Goods, Works, and Non-consulting Services are available within Sri Lanka.</p> <p>(b) PE may encourage local bidders as far as possible by using the NCB method when procurements are financed by GOSL funds.</p> <p>(c) However, when local bidders do not have adequate technical or financial capacity, foreign entities may be allowed to submit bids/proposals for procurements under the NCB method. In such instances, foreign bidders may be allowed to bid, provided that the prices are quoted in Sri Lanka Rupees.</p> <p>(d) NCB method in foreign-funded projects shall be used with the concurrence of the Foreign Funding Agency as articulated in the respective financing agreement.</p>	
<p>3.1.3 Limited International Competitive Bidding</p>	<p>Refer Manual 3.1.3</p>
<p>(a) Limited International Competitive Bidding (LIB) is an appropriate procurement method that allows international procurements under a restricted competitive environment.</p> <p>(b) This method shall be used when there is a limited number of suppliers, contractors or service providers. LIB may also be applicable when the amount of the contract is not large enough to attract them through ICB, provided that the available potential suppliers, contractors or service providers are sufficient to ensure competitiveness.</p> <p>(c) In the case of LIB, all procedures followed under ICB shall apply except the requirement for advertising and domestic preference.</p>	
<p>3.1.4 Limited National Competitive Bidding</p>	<p>Refer Manual 3.1.4</p>
<p>(a) Limited National Competitive Bidding (LNB) method may be used when there is a limited number of suppliers or contractors for a particular procurement, provided that potential suppliers or contractors are sufficient to ensure competitiveness.</p> <p>(b) In the case of LNB, all procedures followed under NCB shall apply except the requirement for advertising and domestic preference.</p>	

<p>3.1.5 Shopping/ Request for Quotations – (National or International)</p>	<p>Refer Manual 3.1.5</p>
<p>(a) Shopping / Request for Quotations – (National)</p> <p>Shopping/Request for Quotations (RFQ) is a procurement method that can be used by the PE when purchasing off-the-shelf Goods, Works, and Non-consulting Services, as mentioned below by comparing price quotations received from reputed or registered bidders;</p> <ul style="list-style-type: none"> i. Commercially available off-the-shelf Goods; ii. Commodities for which specifications are standard; or iii. Small-value Goods, Works, and Non-consulting Services. <p>(b) Shopping / Request for Quotations – (International)</p> <p>When off-the-shelf Goods with small value are not available in the local market, PE can use online marketing platforms and/or relevant marketing websites of original manufacturers/sole or authorized agents to obtain prices electronically with the approval of the CAO/AO.</p>	
<p>3.1.6 Direct Contracting</p>	<p>Refer Manual 3.1.6</p>
<p>(a) Direct contracting is a contracting method with a single source without competition and may be an appropriate method under special circumstances.</p> <p>(b) Direct contracts with Government Institutions may be considered when it is justifiable in special circumstances in accordance with Government Policies established with the concurrence of the NPC.</p>	
<p>3.1.7 Force Account</p>	
<p>(a) Force account is the execution of Works using the own workforces of the PE, and/or hired labour and equipment which may be the only practical method for executing Works.</p> <p>(b) However, any Work undertaken under this method cannot be contracted out.</p>	
<p>3.1.8 Emergency Procurement</p>	<p>Refer Manual 3.1.8</p>
<p>(a) PE may use this method in exceptional circumstances, such as natural/man-made disasters, to meet unforeseen social obligations and other similar situations which shall be determined by the respective Government Institutions which has the authority to declare emergency situations.</p> <p>(b) A formal covering approval for any emergency procurement shall be obtained from the appropriate authority at the first available opportunity.</p>	

3.1.9 Community Participation in Works Contracts	Refer Manual 3.1.9
<p>(a) In the interest of project sustainability, or to achieve certain specific social objectives, such as creating employment opportunities in an identified area, and re-distribution of income, it is desirable to call for the participation of Community Based Organisations (CBOs) in the Procurement Process provided that such CBO is capable and feasible for undertaking small value Works in terms of financial, physical and human resource requirements and has sufficient experience in the relevant field, by reviewing documentary evidence.</p> <p>(b) Sub-contracting by the CBO shall not be allowed under any circumstances.</p> <p>(c) It is the responsibility of the respective authority to ensure such work contracts shall comply with the mandate given to the CBO.</p> <p>(d) In case of a competitive basis, CAO/AO shall request the relevant CIDA registration from CBO for Works Contracts.</p>	
3.1.10 Procurement under Co-financing	Refer Manual 3.1.10
<p>When Goods are procured under a loan or a grant for livelihood development, co-financing with the beneficiaries may be used by giving priority to the needs of the beneficiaries.</p> <p>When the government's contribution in such procurements exceeds 50% of the Total Cost Estimate (TCE) of the procurement, a competitive procedure shall be followed by giving priority to the needs of the beneficiaries.</p>	
3.2 Repeat Orders	Refer Manual 3.2
<p>(a) Placing an order for the supply of an additional quantity of Goods from the same supplier (Repeat Order), may be considered when the Repeat Order is made within six (06) months from the original order.</p> <p>(b) Repeat Orders for the procurement of Goods may be authorized under exceptional circumstances if the PE ensures that;</p> <ol style="list-style-type: none"> i. The necessity for additional requirements was not foreseen and could not be identified at the time of procurement planning and the issuance of the original order; ii. It is not economical to follow the bidding procedure again; iii. The market price of the Good has not been reduced since the original order; and iv. The repeat order has been agreed upon by the respective PC. <p>(c) Repeat Order is applicable only in instances where the original procurement was based on a competitive procedure.</p>	

<p>(d) PE shall be satisfied that there is no opportunity to obtain a better offer and that the price of the product is not higher than the original price.</p> <p>(e) The Repeat Orders could be made provided that the additional quantities do not exceed fifty percent (50%) of the originally ordered quantity.</p>	
<p>3.3 Bidding Procedures</p>	<p>Refer Manual 3.3</p>
<p>The following bidding procedures may be used with or without pre-qualification/ initial selection;</p> <ol style="list-style-type: none"> 1. Single stage one envelope bidding procedure; 2. Single stage two envelope bidding procedure; and 3. Two stage bidding procedure. 	
<p>3.3.1 Single Stage One Envelope Bidding Procedure</p>	<p>Refer Manual 3.3.1</p>
<p>When specifications and requirements can be precisely defined, it is appropriate to use the single stage one envelope bidding procedure.</p> <p>The single stage one envelope bidding procedure is the submission of both technical and financial bids/ proposals in a single envelope.</p>	
<p>3.3.2 Single Stage Two Envelope Bidding Procedure</p>	<p>Refer Manual 3.3.2</p>
<p>(a) The main objective of the Single Stage Two Envelope Bidding Procedure is to evaluate the technical proposal first and assess the capacity of bidders without the influence of the price quoted for moderate technically complex works and supplies.</p> <p>(b) This procedure may be used in circumstances including “turnkey”, “design and build”, Information Systems, and “supply and installation” contracts.</p> <p>(c) Bids are submitted simultaneously in two separate envelopes. The first envelope contains the qualification and technical proposal, and the second envelope contains the financial proposal. The two envelopes are opened and evaluated sequentially, with the technical proposal being opened first.</p> <p>(d) The financial proposals of the bidders whose technical proposals are determined as not qualified shall be returned unopened after the award of the contract.</p>	

<p>3.3.3 Two Stage Bidding Procedure</p>	<p>Refer Manual 3.3.3</p>
<p>(a) In the first stage, unpriced technical proposals on the basis of a conceptual design or performance specifications shall be invited subject to clarifications on technical and commercial issues and adjustments, if any. Thereafter, the original Procurement Documents shall be amended, as appropriate.</p> <p>(b) In the second stage, the amended Procurement Documents including the Request for Bid or Request for Proposal shall be issued to the same qualified bidders or proposers, requesting them to submit final proposals.</p> <p>(c) Accordingly, the bidder or proposer shall submit two (02) envelopes for the technical and financial components, and the two (02) envelopes shall be opened and evaluated sequentially, with the envelope containing the technical proposal being opened first.</p> <p>(d) This procedure may be appropriate to use when;</p> <ul style="list-style-type: none"> i. It may be impractical to prepare complete technical specifications in advance for the procurement of large and complex facilities for which a turnkey contract could be awarded for the design and build of a plant; ii. Works of a complex and special nature; iii. Complex Information System that is subject to rapid technological advances; iv. Non-consulting Services of a specialized nature. 	
<p>3.4 Pre-qualification or Initial Selection</p>	<p>Refer Manual 3.4</p>
<p>(a) The purpose of pre-qualification or initial selection of applicants is to ensure Requests for Bids are extended only to those who have adequate capabilities including financial capacity, experience, and satisfactory past performance on similar contracts concerning Works, supply of Goods, Services, and installation of Information Systems.</p> <p>(b) Pre-qualification may be necessary to identify capable potential bidders to participate in bids including;</p> <ul style="list-style-type: none"> i. Large complex procurement of Works or Goods considering the sensitivity of certain Goods; or ii. High cost of preparation of detailed bids or proposals such as custom-designed equipment, industrial plants; or iii. Specialized services where contracts are awarded under design and build or management contracting; or iv. Complex Information Systems. 	

CHAPTER 04 - PROCUREMENT PLANNING

Efficient, effective, and realistic planning of the entire Procurement Process is vital to ensure timely completion of the Procurement Process. Procurement Planning should be carried out with due consideration to the relevant provisions of these Guidelines.

<p>4.1 Procurement Planning</p>	<p>Refer Manual 4.1</p>
<p>Every Procuring Entity shall be responsible for planning their individual procurements, other than emergency procurements, in advance and shall prepare the following plans.</p> <ul style="list-style-type: none"> i. Master Procurement Plan (MPP) ii. Annual Proposed Procurement Plan (APPP) iii. Detailed Annual Procurement Plan (DAPP) iv. Preparatory Plan (PP) v. Procurement Time Schedule (PTS) 	
<p>4.1.1 Master Procurement Plan</p>	<p>Refer Manual 4.1.1</p>
<ul style="list-style-type: none"> (a) Every Procurement Entity shall prepare a Master Procurement Plan (MPP), based on the agreed Action Plan for a period of three (03) years in line with the medium-term budgetary framework of the Government. MPPs prepared by PEs shall be compiled at the Ministry level including the MPP prepared for the Ministry. (b) All procurements envisaged for a period of three (03) years shall be listed in the MPP. (c) MPP is a rolling plan and shall be reviewed annually, at the commencement of the respective financial year, and shall be approved by the CAO. (d) Once approval is granted for the MPP, procurement preparatory activities related to the procurements shall be completed in terms of the provisions under 4.1.4 of these Procurement Guidelines, prior to issuing the request for bids or proposals. 	
<p>4.1.2 Annual Proposed Procurement Plan</p>	<p>Refer Manual 4.1.2</p>
<ul style="list-style-type: none"> (a) The PE shall prepare an Annual Proposed Procurement Plan (APPP) in accordance with the Master Procurement Plan (MPP) and previously approved Action Plan, depicting procurements that shall be carried out during the ensuing financial year. This APPP shall be submitted at the budgeting stage to obtain financial resources to implement the annual planned procurements of the PE. (b) The APPP shall be comprised of a list of procurement packages under all categories that are expected to be implemented during the ensuing financial year and approved by the CAO. 	

4.1.3 Detailed Annual Procurement Plan	Refer Manual 4.1.3
<p>The Detailed Annual Procurement Plan (DAPP) is the list of all approved procurement packages that would be implemented during the ensuing year.</p> <p>(a) The DAPP is the actual implementing procurement plan of the PE, with guaranteed financial allocations.</p> <p>(b) The DAPP shall include all procurement actions including procurement activities, sub-activities, and the relevant prior reviews and/or post reviews, commencing from the date of bid notice to the contract award and completion together with the time periods relevant to all packages. In the case of pre-qualification, the pre-qualification process also should be included in the DAPP.</p> <p>(c) All the AOs shall submit a copy of the DAPP to the CAO within the first two (02) weeks of the current financial year.</p> <p>(d) The CAO can revise the submitted DAPP by considering the priorities of the Government or the PE.</p> <p>(e) It is the responsibility of the CAO to submit the approved Consolidated DAPP pertaining to all the PEs coming under the purview of the respective Ministry to the NPC, for monitoring purposes.</p> <p>(f) It is recommended to review the DAPP at least quarterly, and the revised DAPP shall be submitted to the respective CAO for approval.</p>	
4.1.4 Preparatory Plan	Refer Manual 4.1.4
<p>(a) The Preparatory Plan (PP) shall include the preparatory activities included in the Annual Proposed Procurement Plan (APPP) prepared to obtain the necessary financial allocations to implement the procurements for the financial year. This Preparatory Plan is a plan prepared for the preparatory activities pertaining to the relevant financial year extracted from the MPP.</p> <p>(b) The PP which is based on the MPP and the APPP shall be prepared by the Procurement Entity, is particularly important for complex work projects with a Procurement Process spreading over several years.</p> <p>(c) The PE is responsible to ensure the completion of all procurement preparatory activities well in advance to commence the bidding process, enabling the respective Procurement Committee to complete the Bidding Process uninterruptedly and to reduce procurement delays. If any cost is involved in procurement related preparatory activities, the PE may take necessary actions to make budgetary provisions accordingly.</p>	
4.1.5 Procurement Time Schedule	Refer Manual 4.1.5
<p>(a) The Procurement Time Schedule (PTS) is a schedule describing each individual Procurement Action, in chronological order, from commencement to completion of the Procurement Process, until the award of the contract.</p> <p>(b) In the case of pre-qualification, the pre-qualification related actions shall also be included in the PTS.</p> <p>(c) The PTS is to set time bound targets to complete all activities in the bidding process/pre-qualification.</p>	

<p>(d) The PE/PMD shall forward the drafted PTS on each procurement activity of the package concerned, together with any connected downstream procurement to the PC, for approval.</p> <p>(e) The respective PC is responsible to consider the draft PTS and approve it at the first PC meeting, with necessary revisions.</p> <p>(f) PE shall be responsible for updating the PTS regularly.</p> <p>(g) It is the responsibility of the CAO/AO to ensure the implementation of the procurement activities as per the approved PTS and maintain all relevant information.</p>	
<p>4.2 Total Cost Estimate</p>	<p>Refer Manual 4.2</p>
<p>(a) Total Cost Estimate (TCE) is an aggregation of elemental costs of a procurement to be carried out including VAT, provisional sums and contingencies, as appropriate which will be shown separately.</p> <p>(b) TCE shall be the aggregation of each elemental cost in relation to procurement preparatory, pre-contract and post-contract.</p> <p>(c) TCE shall be prepared by the PE based on the approved schedules of rates and approved by the respective approving authority, prior to request for bids or proposals.</p>	
<p>4.2.1 Amendments to Total Cost Estimate</p>	<p>Refer Manual 4.2.1</p>
<p>(a) Wherever it is necessary to amend the TCE, the approval for the amended TCE shall be obtained from the respective authority. After requesting for bids/proposals, the approving authority shall refrain from revising the TCE during the Procurement Process.</p> <p>(b) In case of amendment of TCE, if additional financial provision is required, it is the responsibility of the PE to arrange additional financial provisions before the commencement of the bidding process.</p>	
<p>4.3 Slicing and Packaging of Contracts</p>	<p>Refer Manual 4.3</p>
<p>(a) The size and the complexity of the contract are important considerations for slicing and packaging the contracts. However, slicing and packaging shall be applicable for the procurement of Goods and Works that are justifiable based on the nature, size and complexity.</p> <p>(b) Procurement may be divided into several slices or consider packaging with a reasonable basis to facilitate the participation of small or large contractors. “Slicing and/or Packaging” basis can be applicable for Works Contracts. In the case of Goods contracts, items with similar nature could be grouped as a “Lot”.</p> <p>(c) PE shall not use this provision to split/slice/package any procurement with the intention to fit the value of such procurement to the procurement authority levels of any PC or to any specific procurement method. Similarly, Procurements shall not be sliced or packaged with the intention of avoiding or unduly facilitating interested parties.</p> <p>(d) Both small and large contractors may be allowed, at their options, to bid for one or more slices/packages. However, restrictions may be imposed for large contractors to bid for small slices/packages.</p>	

(e) All bids or proposals shall be received by the same closing date and opened, and then evaluated simultaneously to determine the most advantageous bid or proposal or combination of bids/proposals.	
4.4 General Procurement Notice / Advanced Procurement Notice	Refer Manual 4.4
(a) The PE shall make necessary arrangements to publish a General Procurement Notice (GPN)/ Advanced Procurement Notice (APN) based on the MPP and/or DAPP, on both print and electronic media, with the intention of informing the prospective bidders regarding the availability of bidding opportunities within the PE, in advance. (b) GPN/APN can be published well in advance with the intention to ensure uninterrupted and timely supply.	

CHAPTER 05 – PROCUREMENT DOCUMENTS

<p>5.1 Preparation of Draft Procurement Documents</p>	<p>Refer Manual 5.1</p>
<p>(a) The PE shall prepare draft Procurement Documents in a manner to encourage competition and achievement of the procurement objectives as given in 1.2 in these Procurement Guidelines.</p> <p>(b) The PE shall complete the task of drafting the Procurement Documents prior to the appointment of the PC and BEC, and approval shall be obtained from the respective PC and/or BEC, as appropriate.</p>	
<p>5.2 Contents of Procurement Documents</p>	<p>Refer Manual 5.2</p>
<p>The Procurement Documents shall contain all relevant information that is necessary for a prospective bidder to prepare a responsive Bid/Proposal. The contents of the Procurement Documents shall not be ambiguous.</p>	
<p>5.3 Standard Procurement Documents</p>	<p>Refer Manual 5.3</p>
<p>(a) The PEs shall use the appropriate Standard Procurement Documents (SPDs), with minimum changes, if necessary, to address the specific concerns. In the case of procurements funded by a Foreign Funding Agency, the PE may use the SPDs mandated by such agencies.</p> <p>(b) In the case of Information Systems, separate Procurement Documents, as may be necessary, will be prepared by the PE including the procurement and contract documents to facilitate the successful installation, integration, and operation of a range of information system applications from straightforward supply, installation, and maintenance of technological products, to complex development, integration, and operation of mission-critical information systems.</p> <p>(c) Where no relevant SPDs are available, the PE may use other appropriate Procurement Documents, such as Published Procurement Documents of the World Bank and the Asian Development Bank with the required amendments.</p> <p>(d) All such documents shall be reviewed and approved by the BEC and the PC, as applicable. The BEC and/or PC shall be jointly and severally responsible for the contents of such documents. However, it is the duty of the PE to ensure that the Procurement Documents are accurate and complete with any amendments recommended by the BEC and/or the PC.</p> <p>(e) For Works contracts, SPDs published by CIDA in concurrence with the NPC shall be used. NPC will develop other necessary SPDs. However, in the absence of specific SPDs, PEs may use other relevant SPDs, with the concurrence of the NPC.</p>	

5.4 Request for Bids/Proposals	Refer Manual 5.4
<p>(a) Adequate publicity shall be given to the request/invitation for bids/proposals under ICB and NCB in national newspapers, the website of the relevant Government Institution, and the e-GP portal, and in case of ICB in the relevant National/International or donor websites.</p> <p>(b) Request for bids or proposals shall contain appropriate and relevant basic information required by prospective bidders to form, with sufficient clarity, an opinion as to the scope of the procurement.</p>	
5.5 Instructions to Bidders	Refer Manual 5.5
<p>(a) Instructions to Bidders (ITB) shall contain clear, precise, and relevant information that is sufficient for bidders to prepare and submit responsive bids/proposals. Provisions applicable for the respective procurement shall be specified in the Bid Data Sheet (BDS).</p> <p>(b) Provisions provided in the BDS will take precedence over the corresponding provisions in the ITB.</p>	
5.6 Eligibility and Qualification Requirements of Bidders	Refer Manual 5.6
<p>(a) Eligibility and qualification requirements for bidders shall be limited to the extent that it is essential to perform the relevant contract. Eligibility requirements for bidders to ensure the bidder's legality and capacity to perform the relevant contract shall be included in the Procurement Documents.</p> <p>(b) A bidder should be considered as ineligible if;</p> <ol style="list-style-type: none"> i. The bidder is a blacklisted/debarred contractor/supplier/service provider; ii. The bidder is a contractor/supplier/service provider who has a conflict of interest; and iii. Any other legally valid reason that disqualifies the bidder. 	
5.6.1 Eligibility for Works Contracts	Refer Manual 5.6.1
<p>(a) In the case of procurement of Works (excluding Works implemented through Community Based Organizations under the Direct Contract method), domestic contractors shall have the relevant and valid CIDA registration at the time of closing of bids or proposals and award of contract.</p> <p>(b) CIDA registration shall not be considered as a criterion for issuance of the Procurement Documents.</p> <p>(c) For the purpose of evaluation, CIDA registration shall only be considered as an eligibility criterion.</p>	

<p>5.6.2 Eligibility for Consortia/Joint Ventures</p>	
<p>(a) Bidders should be allowed to bid as a joint venture or as a consortium, to enhance their qualifications and capabilities. Any partner of a joint venture/consortium is not allowed to submit another bid/proposal independently, as a partner of another joint venture or as a consortium for the same procurement.</p> <p>(b) If a bid or proposal is submitted as an unincorporated Joint Venture/Consortium, all parties of the joint venture/consortium shall be jointly and severally liable for the entire contract. In the case of an Incorporated Joint Venture/Consortium, confirmation of commitment to the contract and undertaking of independent liability should be obtained from each partner/shareholder of the incorporated entity.</p> <p>(c) If a consortium or a joint venture has not been formed at the time of submission of the bid/proposal and wishes to form a consortium / joint venture subsequently, the bid/proposal shall include sufficient documentary evidence to establish the intention to form such a consortium or a joint venture together with the respective rights and liabilities of the consortium/joint venture parties. In any event, a consortium/joint venture shall be established before entering to the contract.</p>	
<p>5.6.3 Requirement of Registration under Public Contract Act, No. 3 of 1987</p>	
<p>It is required to adhere to the provisions of the Public Contract Act, No. 3 of 1987 as and when applicable.</p>	
<p>5.6.4 Declaration on Non-Collusion and Multiple Bids/Proposals</p>	<p>Refer Manual 5.6.4</p>
<p>The bidder shall submit a mandatory declaration of non-collusion with the Procurement Documents. The objective is to control bid collusion and bid rigging, and also to ensure the bidder submits only one bid. PE may blacklist/debar in case of collusion and reject all bids in the case of submitting multiple bids by one (01) bidder.</p>	
<p>5.7 Equal Treatment for Foreign and Domestic Bidders</p>	
<p>(a) In all procurements under ICB, bidding and contract conditions shall have equal application to both domestic and foreign bidders, except when domestic preference is applied.</p> <p>(b) If any foreign currency payments are envisaged under the contract, both the foreign and domestic bidders may be allowed to quote and to be paid in foreign currency subject to the applicable terms and conditions of the contract.</p> <p>(c) To be eligible for consideration of foreign currency payment, bidders are required to submit justification to that effect. Information such as the import of materials, plants, equipment, and machinery, and payment of remuneration for expatriates would be considered as valid justifications.</p>	

5.8 Bid/Proposal Validity Period	Refer Manual 5.8
<p>(a) Bidders shall be required to submit bids or proposals valid for the period specified in the Procurement Documents. The bid or proposal validity period must be requested, indicating the calendar date (not in number of days), which shall be sufficient for the PE to complete the comparison and evaluation of bids or proposals and obtain all the necessary approvals enabling to award the contract within the bid/proposal validity period.</p> <p>(b) In the event, that it is not possible to complete the evaluation and obtain approvals within the bid/proposal validity period, the PE shall request for an extension of the bid or proposal validity. Such an extension should be made without any undue delay before the expiry of the validity period.</p>	
5.9 Bid Security/ Bid Securing Declaration/ Refundable Cash Deposit	Refer Manual 5.9
<p>(a) Bid Security</p> <ol style="list-style-type: none"> i. Bid securities shall be submitted by all the bidders, participating in ICB, LIB, NCB, and LNB bidding processes, as specified in the Procurement Documents. ii. Even under the shopping procedures, bid security may be obtained where deemed necessary. iii. The validity period of bid security shall be requested indicating a specific calendar date (not in the number of days). iv. The amount of bid security shall not be excessively high as it may restrict the competition. The amount of bid security shall be a lump sum amount calculated by the PE in the range of 1% to 2% of the estimated value of the procurement (excluding VAT, provisional sums and contingencies). <p>(b) Bid Securing Declaration</p> <ol style="list-style-type: none"> i. A Procurement Entity may accept a Bid Securing Declaration in place of a Bid Security if provided in the Procurement Documents. ii. If the bidder fails to fulfil any of the requirements given in the declaration, the bidder shall be blacklisted as per these Procurement Guidelines. <p>(c) Refundable Cash Deposit</p> <ol style="list-style-type: none"> i. A refundable cash deposit or a bank draft shall be a lump sum amount calculated by the PE in the range of 1% to 2% of the estimated value of the procurement (excluding VAT, provisional sums and contingencies). That shall be paid to the PE and attach the original receipt with the bid. ii. In case of a bank draft, the draft shall be written in favour of the CAO/AO of the PE and the original is to be submitted along with the bid. 	

<p>5.10 Clarity of Procurement Documents</p>	<p>Refer Manual 5.10</p>
<p>(a) All prospective bidders shall be provided with the same information and shall be assured of equal opportunities to obtain additional information.</p> <p>Considering the nature and complexity of the procurement, a pre-bid meeting/site visit may be arranged enabling prospective bidders to understand the requirements of the PE and to seek clarifications from the PE. All bidders must be provided with the same information by the PE.</p>	
<p>5.11 Clarifications and Modifications</p>	<p>Refer Manual 5.11</p>
<p>(a) A prospective bidder requiring any clarification of the Procurement Documents should inform the PE in writing, with sufficient time before the date of bid/proposal closing.</p> <p>(b) PE at its own initiative or in response to a clarification requested by a prospective bidder can modify the Procurement Documents by the issuance of an addendum with the recommendation of the BEC and the approval of the PC as appropriate, giving sufficient time to notify the respective bidders.</p> <p>(c) If deemed necessary, the PE may extend the deadline for bid/proposal closing giving due consideration to the PTS, with the approval of the PC. This shall be notified to all bidders who have already purchased the Procurement Documents.</p> <p>(d) The extension notice shall be published using the same media allowing other prospective bidders to give sufficient time to bid.</p>	
<p>5.12 Alternative Bids/Proposals</p>	
<p>(a) The Procurement Documents shall clearly indicate, when bidders are allowed to submit alternative bids/proposals, how alternative bids/proposals are to be submitted, how the bid price should be offered, and the basis on which, the alternative bids/proposals shall be evaluated.</p> <p>(b) Alternative bids/proposals submitted by a bidder shall be considered as a separate bid/proposal and it shall be submitted with a separate Form of Bid and bid security.</p> <p>(c) If bidders are permitted to submit alternative bids/proposals, it shall be clearly stated in the Procurement Documents. However, only the original bids/proposals shall be considered for the purpose of evaluation.</p> <p>(d) If the original bid/proposal submitted by the bidder is considered as the substantially responsive lowest evaluated bid/proposal, the bidder's alternative bid/proposal will be compared with his original bid/proposal. In such a situation, if an alternative bid/proposal is accepted, it shall fully comply with the employer's requirements and the bid/proposal price shall not be higher than the original bid/proposal price. In such a situation, alternative bids/proposals of other bidders shall not be opened.</p> <p>(e) In the event, where there is no alternative bid/proposal is permitted but a bidder/proposer has submitted an alternative bid/proposal, in addition to the original bid/proposal, the alternative bid/proposal shall not be considered and shall be rejected.</p> <p>(f) In the event a bidder/proposer submits more than one (01) bid/proposal, where no alternative bid/proposal is permitted and there is no explicit labelling of alternative bid/proposal, it is considered as multiple bids and the PE shall reject all his bids/proposals.</p>	

5.12.1 Bid/Proposal Options for Goods	
<p>(a) The Procurement Documents shall specify whether bid/proposal options are allowed or not.</p> <p>(b) If bidders are allowed to submit options, the Procurement Documents shall clearly indicate how bid/proposal options shall be submitted, how bid/proposal prices should be offered, and the basis on which bid options shall be evaluated.</p> <p>(c) It is envisaged that the bidders shall submit the best option to meet the specification. However, the PC/BEC shall select the best option without deviating from the disclosed evaluation criteria.</p> <p>(d) However, if the Procurement Documents specify that bids/proposals options are not allowed, bids/proposals with all options shall be rejected.</p>	
5.13 Value Added Tax	Refer Manual 5.13
The bidders shall be instructed to indicate VAT separately in their bid/proposal price and VAT shall not be considered for evaluation of bids/proposals.	
5.14 Bid/Proposal Evaluation Criteria and Qualification Requirements	Refer Manual 5.14
<p>(a) The Procurement Documents shall clearly specify the relevant criteria, in addition to the price to be considered in the bid/proposal evaluation.</p> <p>(b) Post-qualification criteria shall also be clearly stated in the relevant Procurement Documents.</p> <p>(c) The disclosed criteria shall not be modified, or additional criteria shall not be introduced during the bid/proposal evaluation stage.</p> <p>(d) If bids/proposals based on alternative designs, materials, completion schedules, and payment terms are permitted, conditions for their acceptability and method of their evaluation shall be specifically stated in Procurement Documents.</p> <p>(e) Bid/proposal shall be evaluated in line with the stipulated criteria based on the evaluation principles.</p>	
5.15 Conditions of Contract	Refer Manual 5.15
<p>(a) The General Conditions of Contract (GCC) or Conditions of Contract (CC) shall be issued with the Procurement Documents.</p> <p>(b) Special Conditions of Contract (SCC), Particular Conditions of Contract (PCC) or Contract Data (CD) shall be included in the Procurement Documents, depending on the need of the particular procurement and considering the special circumstances pertaining to the particular contract.</p> <p>(c) Provisions indicated in the SCC/PCC/CD will take precedence over the corresponding provisions in the GCC/CC.</p>	

<p>5.16 Price Adjustments</p>	<p>Refer Manual 5.16</p>
<p>For contracts with long delivery or completion periods including major civil Works contracts as specified in the Procurement Manual, price adjustment provisions may be provided in the Procurement Documents.</p>	
<p>5.17 Advance Payments</p>	<p>Refer Manual 5.17</p>
<p>When required provisions are stipulated in the Procurement Documents, an advance payment can be made as specified in the Procurement Manual.</p>	
<p>5.18 Retention of Money in Works Contracts</p>	<p>Refer Manual 5.18</p>
<p>The PE shall retain a specific amount of money as retention to ensure that the contractor rectifies any defects, as specified in the Procurement Manual.</p>	
<p>5.19 Performance Security</p>	<p>Refer Manual 5.19</p>
<p>(a) A performance security shall be provided by the contractor/supplier or service provider, to safeguard the PE in case of breach of contract and unsatisfactory performance.</p> <p>(b) The value of the performance security may vary depending on the nature, and magnitude of the Works.</p>	

5.20 Liquidated Damages/Delay Damages	Refer Manual 5.20
Provision shall be made in the contract for computation and charging of liquidated damages/delay damages, for delays that result in a loss to PE where the supplier/contractor is responsible for the delay.	
5.21 Dispute Resolution	Refer Manual 5.21
All disputes arising out of contract agreements shall be resolved following the dispute resolution mechanism specified in the Procurement Documents and in accordance with the applicable law.	
5.22 The Law of Contract	
The law governing the contract shall be the laws of the Democratic Socialist Republic of Sri Lanka.	
5.23 Specifications	Refer Manual 5.23
(a) Specifications shall include material, design, quality, standards, and workmanship for all respective procurements. It should meet the essential requirements of the PE and be objective, functional, and “fit for the purpose”.	
(b) It should be based on respective national standards and/or equivalent international standards, as applicable.	
(c) Specifications should be unbiased and should be of a generic nature.	
5.24 Types of Contracts and Contracting Arrangements	Refer Manual 5.24
The contract or contracting arrangements selected as appropriate, including the following contract or contract arrangements, shall be specified in the procurement documents.	
<ul style="list-style-type: none"> i. Measure and pay (Contract based on Unit Prices). ii. Paid on Delivery. iii. Lump sum. iv. Framework Agreement. v. Performance Based Contracting 	
5.25 Contract Agreement	Refer Manual 5.25
The contract agreement shall be a part of the Procurement Documents.	

CHAPTER 06 – PROCUREMENT PROCESS

6.1 Publication of Specific Procurement Notice / Request for Bids/ Request for Proposals	Refer Manual 6.1
(a) Wide publicity shall be given to the Specific Procurement Notice (SPN) which should include sufficient information for prospective bidders to respond in offering bids/proposals. (b) Publicity of SPN shall be specific to different procurement methods as prescribed in Chapter Three (03) and will include publishing in the widely circulated national/international newspapers/magazines, as appropriate and relevant PE/Ministry/National/International websites as well as in the e-GP portal. (c) SPN is not applicable, in the case of limited competitive procurement methods such as LNB, LIB or Request for Quotations/Shopping.	
6.2 Issuance of Procurement Documents	Refer Manual 6.2
Procurement Documents should be made available to purchase by the prospective bidders, as mentioned in the SPN on the payment of the prescribed fees if any, until one (01) day prior to the bid/proposal closing.	
6.3 Bidding Period	Refer Manual 6.3
The bidding period shall be reasonably adequate for preparing and submitting the bids/proposals.	
6.4 Submission and Receipt of Bids/Proposals	Refer Manual 6.4
(a) The bid/proposal shall be submitted using the Procurement Documents issued by the PE. These documents are not transferable to any other bidders. (b) The bids/proposals shall be received only at one location as specified in the Procurement Documents.	
6.5 Rejection of Late Bids/Proposals	Refer Manual 6.5
(a) Bids/proposals shall be closed on the date and at the time specified in the Procurement Documents. (b) Late bids/proposals shall not be accepted and shall be returned unopened.	

6.6 Bids/Proposals Opening in Public	Refer Manual 6.6
<p>(a) Bids/proposals shall be opened by a Bid Opening Committee (BOC) in the presence of the bidders or their authorized representative/s who wish to attend, immediately after the closing of bids/proposals.</p> <p>(b) No bid/proposal shall be rejected by the BOC at the bid opening.</p> <p>(c) Bids/Proposals received after the closing of the Bid/Proposal submission shall not be accepted by the BOC.</p> <p>(d) All mandatory information pertaining to the bid/proposal shall be announced and recorded by the BOC in the Bid Opening Minute/Bid Opening Record, as specified in the Procurement Manual.</p>	
6.7 Handling Complaints within the Bid/Proposal Evaluation Process	Refer Manual 6.7
<p>(a) All the complaints received by the PE, during the bid/proposal evaluation process shall be referred to the respective PC and/or BEC for immediate attention.</p> <p>(b) The PE in consultation with the appropriate PC and/or BEC should acknowledge the complaint.</p> <p>(c) The PC and/or BEC shall record the acceptance or rejection of the complaints with reasons.</p> <p>(d) The final decision shall be conveyed to the complainant along with the Intention to Award.</p>	

CHAPTER 07 – BID/PROPOSAL EVALUATION

<p>7.1 General</p>	<p>Refer Manual 7.1</p>
<p>(a) All the bids/proposals shall be strictly evaluated on the basis of the terms, conditions, and criteria incorporated in the Procurement Documents.</p> <p>(b) Bid evaluation shall be carried out based on the Bid Evaluation Principles.</p> <p>(c) New criteria/extrinsic evidence should not be brought into consideration during the evaluation process. The intention of the evaluation process shall be to ensure that other bidders and/or PE are not disadvantaged, and that no bidder gains an undue advantage.</p>	
<p>7.2 Confidentiality</p>	<p>Refer Manual 7.2</p>
<p>Information related to the bid/proposal evaluation process shall be confidentially maintained until notification of intent to award of the contract is intimated. After the bid/proposal opening, the information relating to the bid/proposal evaluation shall not be disclosed to the bidders or any other party unless they are officially engaged in the evaluation process.</p>	
<p>7.3 Obtaining Consulting Services for Evaluation of Bids/ Proposals</p>	
<p>(a) If the assistance of the consultant/s is required for the evaluation of bids/proposals, such assistance shall be obtained under the supervision and guidance of the respective PC/BEC.</p> <p>(b) Consultants shall not be considered as a part of the PC/BEC.</p> <p>(c) The BEC shall submit its own observations and recommendations to the PC, as appropriate, in the form of a report along with the consultant’s report.</p>	
<p>7.4 Time Frame for Bids/Proposals Evaluation</p>	<p>Refer Manual 7.4</p>
<p>Bid evaluation shall be undertaken expeditiously, providing adequate time to seek all the requisite formal approvals. Hence, bids/proposals shall be evaluated within the period specified in the PTS.</p>	
<p>7.5 Extension of Bid/Proposal Validity Period</p>	<p>Refer Manual 7.5</p>
<p>The PC, BEC, and PE shall take all attempts to award the contract within the PTS and the original bid/proposal validity period.</p> <p>(a) In exceptional situations, where it is not possible to award the contract before the expiry of the bid/proposal validity period, prior to such expiration, the validity period may be extended appropriately. In such a situation, the bid security/bid securing declaration shall also be extended accordingly.</p> <p>(b) If a bidder does not agree to extend the validity of the bid/proposal and bid security/ bid securing declaration, such bid/proposal shall be excluded from further consideration. However, the Bid Security shall not be forfeited, and in the case of a Bid Securing Declaration, the bidder shall not be blacklisted.</p>	
<p>7.6 Evaluation of the Original Bids/Proposals</p>	<p>Refer Manual 7.6</p>
<p>Only the bids/proposals marked as “original” shall be evaluated by the BEC/PC.</p>	

<p>7.7 Purpose and Stages of Bid/Proposal Evaluation</p>	<p>Refer Manual 7.7</p>
<p>(a) The purpose of bid/proposal evaluation is to determine the substantially responsive lowest evaluated bid/proposal out of the bids/proposals received.</p> <p>(b) The bid/proposal evaluation process could be divided into four (04) main stages.</p> <p><u>Stage One (01): Collection of Data and Information for Preparation of Bid/Proposal Evaluation</u></p> <p>At this stage, the collection of data and information and the following should be done in order to use them in the later stages of evaluation;</p> <ol style="list-style-type: none"> i. Basic data collection inclusive of declaration forms from all related parties of the bid/proposal; ii. Collection of bid/proposal opening minutes, records and other related information; iii. Ensuring the completeness of the information and records collected, using the relevant table given in the Procurement Manual. <p><u>Stage Two (02): Preliminary Examination of Bids/Proposals for Substantial Responsiveness</u></p> <p>The purpose of preliminary bid examination is to exclude bids/proposals which are Non-responsive for further evaluation.</p> <p>Preliminary Examination shall be carried out in this stage under two (02) steps.</p> <p>Step 01 - The purpose of this step is to ascertain whether the Bidder is eligible, the Bid is legally valid, the Bid form is signed by an authorized party, the Bid is complete, the Bid is conditional, and the Bid is accompanied by a Bid Security/ Bid Securing Declaration and the Bid is accompanied with all required legitimate documents.</p> <p>If the answer is negative to any of the above, the bid shall be rejected and excluded from further consideration.</p> <p>Step 02 - The purpose of this step is to examine the substantial responsiveness of the Bids/Proposals.</p> <p>The following examinations shall be conducted under this step.</p> <ol style="list-style-type: none"> i. Examination of Substantial Responsiveness to Commercial Requirements ii. Examination of Substantial Responsiveness to Technical Requirement <p>This step is to ascertain the technical and commercial deviations of each bid considering the provisions of Procurement Documents and categorise such deviations as major deviations or minor deviations.</p> <p>In addition, identify debatable deviations which may be categorise as major or minor deviations after critical examination upon the requirements of the specific provisions in the Procurement Documents, the criticality of the deviation, the financial value (if exists) of the deviation in comparison with the value of the contract and the prudent judgement of the PC/BEC.</p>	

<p><u>Stage Three (03): Detailed Bid/Proposal Evaluation</u></p> <p>At this stage, a detailed bid/proposal evaluation will be carried out in accordance with the Procurement Documents for bids/proposals that are substantially responsive, using the sequential order in line with the Procurement Manual by following the bid evaluation principles giving due consideration to the following;</p> <ul style="list-style-type: none"> i. The financial evaluation shall be carried out pursuant to the detailed bid/proposal evaluation. The purpose of financial evaluation is to ascertain financial values for acceptable minor technical or commercial deviations (omissions) identified; ii. If any technical merit is considered as per the Procurement Documents, the relevant points shall be assigned, prior to the financial evaluation; iii. In order to ascertain the substantially responsive lowest evaluated bid price, step by step approach is to be followed as stipulated in the Procurement Manual. iv. At the end of this evaluation stage, a table shall be prepared, enabling to determine the substantially responsive lowest evaluated bid/proposal among the substantially responsive bidders/proposers. <p><u>Stage Four (04): Final Determination of the Substantially Responsive Lowest Evaluated Bid/Proposal</u></p> <p>At this stage, the following shall be carried out;</p> <ul style="list-style-type: none"> i. Examination of whether the bid/proposal is unbalanced; Examination and verification of post-qualification criteria; ii. Examination of alternative bid/proposal, if there is a provision in the Procurement Documents; iii. Recommendation of the substantially responsive lowest evaluated bid/proposal; and iv. Preparation of the Bid Evaluation Report after the conclusion of the bid/proposal evaluation process including recommendations for the award of the contract. 	
<p>7.7.1 Domestic Preference</p>	<p>Refer Manual 7.7.1</p>
<ul style="list-style-type: none"> (a) Domestic preference could be applied when ICB and NCB procurement methods are used with a view to promote national construction and manufacturing industries, as and when domestic contractors and/or locally manufactured or locally value-added Goods and Information Systems-are offered in competition with international contractors/imported Goods. (b) The suppliers offering local inputs in the case of Goods and the domestic contractors in the case of Works shall be considered for domestic preference during the bid evaluation according to the criteria specified in the Procurement Manual. 	

<p>7.7.2 Clarifications from Bidders</p>	
<p>(a) During the evaluation of bids/proposals (particularly for complex Works) there may be a need to seek clarification from a bidder with the sole purpose of ensuring a better understanding of the bid/proposal as submitted so that the bid/proposal can be properly and fairly evaluated.</p> <p>These clarifications shall not;</p> <ul style="list-style-type: none"> i. Permit any substantive change being made to the bidder's initial response; ii. Permit any changes to the bid/proposal price, except correction of arithmetical errors in the pricing of the bid; and iii. Give an advantage to the bidder from whom clarification is sought by providing that clarification. <p>(b) On a request by PC and/or the BEC, the PE will seek such clarifications from the bidder in writing.</p> <p>(c) In the case of BEC, requesting the PE to seek clarifications without the approval of the PC, such requests shall be made known to the PC concurrently.</p>	
<p>7.7.3 Unrealistic Bids/Proposals</p>	
<p>(a) When the substantially responsive lowest evaluated bid/proposal appears to be unrealistic, on the request of the PC and/or BEC, the PE may request the bidder to clarify/prove this in writing, by including a detailed price analysis to demonstrate the consistency of prices with the scope of Works, proposed methodology and the schedule of work.</p> <p>(b) After evaluating the detailed price analysis, the PC/BEC as appropriate may;</p> <ul style="list-style-type: none"> i. Accept bid/proposal; or ii. Determine that the total value of the performance security be enhanced, at the expense of the bidder; or iii. Reject the bid/proposal. 	
<p>7.8 Negotiations with the Substantially Responsive Single Bidder</p>	
<p>(a) Negotiations shall be carried out by the PC with the assistance of the BEC, as may be applicable. There should be no price negotiations except in the case of a substantially responsive single bid/proposal.</p> <p>(b) Negotiation may be resorted to only in the following circumstances, with the lowest evaluated substantially responsive bidder or proposer.</p> <ul style="list-style-type: none"> i. When having the potential to improve outcomes and benefits and reduce uncertainties/risk; or ii. When only one bid/proposal is received after wide publicity has been given and the price quoted by the single bidder is significantly higher than the TCE, in which situation the price may be negotiated. <p>(c) The PC shall keep a record of matters agreed with the bidder during negotiations and ensure that such record is signed by the PE and the bidder. Such agreed terms should not be subsequently changed.</p>	

<p>7.9 Bid/Proposal Evaluation Report</p>	<p>Refer Manual 7.9</p>
<p>(a) Immediately after the evaluation is completed, the BEC shall prepare a Bid Evaluation Report in the prescribed format and submit the same to the PC together with all supporting documents.</p> <p>(b) In the absence of the BEC, the PC shall prepare a Bid Evaluation Report in the prescribed format.</p>	
<p>7.10 Rejection of All Bids/Proposals Received</p>	<p>Refer Manual 7.10</p>
<p>(a) Rejection of all received bids/proposals can be justified under exceptional circumstances which include;</p> <ul style="list-style-type: none"> i. All received bids/proposals are not substantially responsive; ii. When all bid/proposal prices received are substantially higher than the TCE; iii. Lack of effective competition. <p>(b) However,</p> <ul style="list-style-type: none"> i. Lack of competition shall not be determined solely by the number of bids/proposals received. ii. Even when only one bid/proposal is received, after wide publicity has been given, the bidding process may still be considered valid, if the quoted price-is justifiable. 	
<p>7.11 Re-invitation for Bids/Proposals</p>	
<p>(a) Wider publicity shall be given when re-inviting bids/proposals.</p> <p>(b) In re-inviting bids/proposals, the same Procurement Documents shall not be used without rectifying possible deficiencies in the Procurement Documents.</p> <p>(c) Special attention shall be given to the modifications of the estimates, specifications, and the Conditions of Contract</p> <p>(d) Re-inviting bids/proposals shall not be for the sole purpose of obtaining lower prices.</p>	

CHAPTER 08 - AWARD OF CONTRACT

8.1 Recommendation/Determination of Contract Award	Refer Manual 8.1
<p>(a) In the case a BEC exists, it shall submit its report and recommendations to the PC along with the views/reports of any of the dissenting comments of member/s.</p> <p>(b) The PC shall consider BEC recommendations and an appropriate determination shall be made.</p> <p>(c) In the case of any dispute among members of PC/BEC, the majority decision of the PC/BEC shall prevail.</p> <p>(d) However, any PC/BEC member may submit a dissenting comments/ report with reasons.</p>	
8.2 Communication to All Bidders on the Intention to Award of the Contract	
<p>(a) Within one (01) week of being informed of the recommendations of the HLPC, SHLPC, MPC, DPC, PPC or RPC, all the bidders shall be informed in writing individually by the respective authority, i.e., in respect of HLPC/MPC, the Secretary to the Ministry or his/her delegated authority and, in respect of DPC/PPC/RPC to the Head of the PE or his/her delegated authority, of the selection of successful bidder and the intention to award the contract to such bidder.</p> <p>(b) This provision is mandatory for ICB, NCB, LIB and LNB procurement methods.</p>	
8.3 Debriefing to Unsuccessful Bidders	
<p>(a) The purposes of debriefing are to;</p> <ol style="list-style-type: none"> i. Inform the unsuccessful bidders, who request a debriefing during the standstill period, of the reasons for not being selected as the successful bidder, pointing out the specific shortcomings in its bid/proposal, without disclosing the contents of other bids/proposals. The overall objective is to make the bidders aware of the reasons to enable them to submit more responsive and competitive bids/proposals in future; and ii. Minimize the number of appeals or complaints while enhancing the transparency of the Procurement Process. <p>(b) The PE shall promptly provide the explanations as to why such a bid/proposal was not selected, in writing and/or in a debriefing meeting.</p> <p>(c) The requesting bidder shall bear his costs of attending the debriefing.</p> <p>(d) In this discussion, only the bidder's bid/ proposal can be discussed and not the bids/proposals of the successful bidder or other bidders.</p>	

<p>8.4 Standstill Period</p>	<p>Refer Manual 8.4</p>
<p>Standstill Period is a requirement in Public Procurement. It provides a short pause (non-decisive) period between the intention to contract award decision notification to bidders and the final decision to award the contract.</p> <p>(a) The purpose of the standstill period is to provide sufficient time for bidders to decide whether it is appropriate to submit an appeal against the intention to award.</p> <p>(b) However, the standstill period does not apply under a situation where a single bid/proposal was received, in competitive bidding or direct contracting, Request for Quotations/Shopping, or in an emergency, as determined by the relevant Government Authorities.</p>	
<p>8.5 Appeals Against Contract Award Recommendations</p>	<p>Refer Manual 8.5</p>
<p>(a) Any unsuccessful bidder, who is not satisfied with the decision to award the contract, may appeal against the recommendation of the HLPC/SHLPC/MPC/DPC/PPC and RPC to award the contract to the successful bidder, to the relevant Procurement Appeal Board (PAB) or Procurement Appeal Committee (PAC), within the standstill period.</p> <p>(b) The PAB or PAC shall immediately after receiving the appeal, serve a notice thereof to the respective CAO/AO of the PE. In such notice, the CAO/AO shall be required to submit observations concerning the appeal in writing.</p> <p>(c) Upon being served with a notice of a request for observations, the PE shall submit to the PAB/PAC, a written memorandum of response together with all relevant documents within five (05) working days or a lesser period as may be stated by the PAB/PAC in a particular case.</p> <p>(d) PAB/PAC shall make their recommendations with the reasons to the appropriate authority, after giving due consideration to the contents of appeals and the responses received from the relevant CAO/AO.</p> <p>(e) The role and responsibility of the PAB/PAC and the appeal charges are provided in the Procurement Manual.</p>	
<p>8.5.1 Appointment, Reporting, and Responsibilities of Procurement Appeal Board / Procurement Appeal Committees</p>	<p>Refer Manual 8.5.1</p>
<p>(a) The key objective of establishing the Procurement Appeal Board (PAB)/ Procurement Appeal Committee (PAC) are to provide an independent review of the PC/BEC decision upon the appeals submitted by aggrieved bidders.</p> <p>(b) The appeal procedure would allow for the reviewing of issues in the Procurement Process and corrective measures to be put in place.</p> <p>(c) PAB/PAC procedure would allow speedy decisions and lowering costs for all parties while ensuring integrity, fairness, transparency, accountability, and value for money in the Public Procurement Process at the same time.</p>	

<p>(d) PAB/PAC shall be appointed as follows in line with the respective authority limits as specified in the Procurement Manual;</p> <ul style="list-style-type: none"> i. Procurement Appeal Board (PAB) for procurements related to HLPC and SHLPC; ii. Ministry Procurement Appeal Committee (MPAC) for procurements related to MPC; iii. Department Procurement Appeal Committee (DPAC)/ Project Procurement Appeal Committee (PPAC) for procurements related to DPC/PPC; and iv. Regional Procurement Appeal Committee (RPAC) for procurements related to RPC. <p>(e) PAB/PACs are responsible for examining and hearing each appeal submitted by aggrieved parties and making their recommendations to the relevant authority, with a copy provided to the CAO, AO, HD or PD, as appropriate.</p> <p>(f) In case of procurements in which HLPC and SHLPC are involved, the PAB recommendations shall be submitted to the Cabinet of Ministers through the Secretary to the President.</p> <p>(g) CAO/AO has the discretion to appoint DPAC/PPAC/RPAC, as required.</p>	
<p>8.5.2 Procurement Appeal Board for Procurements Related to High Level Procurement Committee and Standing High Level Procurement Committee</p>	<p>Refer Manual 8.5.2</p>
<p>(a) There shall be a Procurement Appeal Board (PAB) to handle appeals related to procurements in the relevant threshold level of HLPC and SHLPC.</p> <p>(b) PAB members for high level procurements will be appointed by the Cabinet of Ministers in consultation with the NPC.</p>	
<p>8.5.3 Ministry Procurement Appeal Committees for Procurements Related to Ministry Procurement Committee</p>	<p>Refer Manual 8.5.3</p>
<p>(a) There shall be either one or more Ministry Procurement Appeal Committees (MPACs) to handle appeals related to procurements in the relevant threshold level of MPC.</p> <p>(b) The Members for MPAC/s shall be appointed by the respective CAO.</p> <p>(c) Any Officer involved in the relevant Procurement Process shall not be appointed to serve in the MPAC/s.</p> <p>(d) The appointing authority shall take appropriate steps to appoint the required number of MPAC/s to handle the procurement appeals.</p>	

<p>8.5.4 Department Procurement Appeal Committee/ Project Procurement Appeal Committee for Procurements Related to Department Procurement Committee/ Project Procurement Committee</p>	<p>Refer Manual 8.5.4</p>
<p>(a) There may be a Department Procurement Appeal Committee (DPAC)/ Project Procurement Appeal Committee (PPAC) to handle appeals related to procurements in the relevant threshold level of DPC/ PPC.</p> <p>(b) The Members for DPAC/PPAC shall be appointed by the CAO/AO on the recommendation of AO/ HD/PD, as appropriate.</p> <p>(c) Any Officer involved in the relevant Procurement Process shall not be appointed to serve in the DPAC/PPAC.</p>	
<p>8.5.5 Regional Procurement Appeal Committees for Procurements Related to Regional Procurement Committee</p>	<p>Refer Manual 8.5.5</p>
<p>(a) There may be a RPAC to handle appeals related to procurements in the relevant threshold level of RPC.</p> <p>(b) The members for a RPAC shall be appointed by the AO.</p> <p>(c) Any Officer involved in the relevant Procurement Process shall not be appointed to serve in the RPAC.</p>	
<p>8.5.6 Role of the Procurement Appeal Board / Procurement Appeal Committee</p>	<p>Refer Manual 8.5.6</p>
<p>The role of the Procurement Appeal Board (PAB)/ Procurement Appeal Committee (PAC) is to consider appeals of the aggrieved parties which have been submitted under section 8.5 above, based only on the issues contested by appellants with due attention to the conditions of bidding/proposal documents, bids, evaluation reports and written observations received from respective authorities without referring to extraneous evidence.</p> <p>PAB shall only submit the recommendations to the Cabinet of Ministers on whether the contested issues have merit or not and shall not make any award recommendations.</p> <p>In the case of a PAC, recommendations shall be submitted to the approving authority of the next higher level as stipulated in the Procurement Manual.</p>	
<p>8.5.7 Payments for Members of Procurement Appeal Board/ Procurement Appeal Committees and Staff Officers and Other Officers Assisting the Procurement Appeal Process</p>	<p>Refer Manual 8.5.7</p>
<p>(a) Members and alternate members of PAB/PAC shall be remunerated for participation in the procurement appeal process based on their performance.</p> <p>(b) The members of the PAB/PAC and the officers whose specific responsibilities are assigned shall be remunerated based on their performance.</p> <p>(c) Payments for PAB/PAC members and performance indicators decided will be given in the Procurement Manual.</p>	

8.6 Award of Contract	
<p>The procedure shall be followed after the acceptance of a bid/proposal submitted by a successful bidder is given below.</p> <p>(a) A formal Letter of Acceptance shall be issued forthwith to the bidder by the PE.</p> <p>(b) Prior to issuance of the Letter of Acceptance (LOA), the PE shall ensure that budgetary provision is available to meet the cost of the contract.</p> <p>(c) It is the responsibility of the CAO/AO to grant/ obtain necessary approval for the contract award based on the contract award determination of the PC within the validity period to sign the contract.</p> <p>(d) LOA shall be issued within the validity period of the bid/proposal and within three (03) working days from the date of approval of the contract award.</p> <p>(e) Arrangements shall be made to sign the contract within the stipulated time frame in accordance with the Procurement Documents.</p> <p>(f) Any delay in the issuance of the LOA and signing of the contract, the respective officers shall be collectively accountable.</p>	
8.7 Formal Contract Agreement	Refer Manual 8.7
A formal contract agreement is required to be entered into with the successful bidder in terms of the provisions of the Procurement Documents.	
8.8 Publication of Contract Award	Refer Manual 8.8
The PE shall promptly publish the details of the contract award as per the provisions stipulated in the Procurement Manual.	

CHAPTER 09 - CONTRACT MANAGEMENT

<p>9.1 Contract Management</p>	<p>Refer Manual 9.1</p>
<p>A Contract is an agreement between the Employer/Purchaser and the Contractor/ Supplier/ Service Provider, giving rise to legal obligations that are enforceable and are recognized by the law governing the contract. The objective of Contract Management is to ensure the fulfilment of the parties' obligations as outlined in the contract, in accordance with the objectives specified in Section 1.2 of these Guidelines.</p> <p>Contract Management Guidelines are issued by the NPC, to cover the contract management as follows.</p> <p style="padding-left: 40px;">Part I – Execution of Works</p> <p style="padding-left: 40px;">Part II – Delivery and Acceptance of Goods</p> <p style="padding-left: 40px;">Part III – Provision of Non-consulting Services</p> <p>(a) The PE shall be responsible for contract management with adequate supervision to execute contracts.</p> <p>(b) PE shall appoint Contract Manager/s to ensure adherence to specifications, quality standards, timely delivery and payments for Goods, execution of Works, and provision of Non-consulting Services.</p> <p>(c) The Contract Manager shall prepare a Contract Management Plan/s for this endeavour.</p> <p>(d) Further details are included in the separate Guideline issued by the NPC on Contract Management.</p>	
<p>9.2 Variation Review Committee</p>	<p>Refer Manual 9.2</p>
<p>(a) The CAO/AO may appoint a Variation Review Committee (VRC) up to the relevant financial thresholds to make recommendations on extensions of time, variation claims, prolongation claims, delay claims, and employer’s claims and also to negotiate with the Contractor to find ways and means for amicable settlements whenever a contractor disagrees with the determination of the Engineer.</p> <p>(b) VRC for HLPC and SHLPC shall be appointed by the Secretary to the Treasury on periodic approvals obtained from the Cabinet of Ministers. VRCs for MPC, DPC, and PPC level procurements shall be appointed by the CAO. In the case of VRCs for RPC level procurements, the members shall be appointed by the AO.</p>	

CHAPTER 10 – SANCTION/ DEBARMENT/ BLACKLISTING IN PUBLIC PROCUREMENT AND ACTIONS AGAINST OFFICERS INVOLVED IN MISCONDUCT IN PUBLIC PROCUREMENT

Appropriate authorities may impose sanctions against bidders/suppliers/contractors/service providers and public officers who are involved in a particular procurement if found responsible for material violation of these Procurement Guidelines or terms and conditions of the respective Procurement Documents, and perceived conflict of interest in the Procurement Process.

<p>10.1 Sanction/ Debarment/ Blacklisting of Defaulted Bidders/ Suppliers/ Contractors/ Service Providers and Actions Against Public Officers Involved in Misconduct in Public Procurement</p>	<p>Refer Manual 10.1</p>
<p>Bidders/ suppliers / contractors / service providers/ public officers may be considered for sanction/ debarment/ blacklisting or from participating in the public Procurement Process for violations of the Guidelines, contractual provisions during the Procurement Process or contract implementation, if such violations are proven or there is a perceived conflict of interest.</p>	
<p>10.2 Sanction/ Debarment/ Blacklisting Procedure</p>	<p>Refer Manual 10.2</p>
<p>Sanction/ Debarment/ Blacklisting of a bidder/ supplier /contractor /service provider or a public Officer for a specific period shall be only after providing them with an opportunity to show cause and verifying such reasons by an independent committee appointed by the appropriate authority prescribed under Section 10.3, of these Guidelines.</p>	
<p>10.3 Authority for Sanction/ Debarment/ Blacklisting</p>	
<p>Sanction/ Debarment/ Blacklisting authority shall be as follows;</p> <p>(a) HLPC/SHLPC and MPC level procurements – CAO;</p> <p>(b) DPC level procurements – CAO;</p> <p>(c) PPC level procurements - CAO/AO, as appropriate;</p> <p>(d) RPC level procurements - CAO/AO, as appropriate</p>	

<p>10.4 List of Sanctioned/ Debarred/ Blacklisted, Bidders/ Suppliers/Contractors / Service Providers and Public Officers</p>	
<p>(a) NPC, Ministry of Finance, and the CAO/AO shall maintain a list of Sanctioned/ Debarred/ Blacklisted, Bidders/ Suppliers /Contractors / Service Providers and Public Officers which shall be updated regularly.</p> <p>(b) After obtaining the information from the PE, the relevant CAO/AO shall inform the Ministry of Finance of the details of the Sanctioned/ Debarred/ Blacklisted, Bidders/ Suppliers/ Contractors/ Service Providers and Public Officers in respect of procurements where the contract award value is more than Sri Lanka Rupees Two Hundred Million (LKR. 200 Mn.) to be included in the list maintained by the Ministry of Finance, with a copy to the NPC.</p> <p>(c) In respect of procurement where the awarded value is less than or equal to Sri Lanka Rupees Two Hundred Million (LKR. 200 Mn.), publication of such Sanctioned/ Debarred/ Blacklisted, parties shall be carried out by the respective PEs. Information on Sanctioned/ Debarred/ Blacklisted, Bidders/ Suppliers /Contractors / Service Providers and Public Officers shall be maintained by the relevant PE and the same shall be informed to the NPC.</p>	
<p>10.5 Actions Against Sanctioned/ Debarred/ Blacklisted, Contractors/ Suppliers/ Service Providers and Public Officers</p>	
<p>(a) The PE shall not award any contract to any Sanctioned/ Debarred/ Blacklisted, Contractors/ Suppliers/ Service Providers during the period of the sanction.</p> <p>(b) The PEs shall not appoint any Sanctioned public Officer to act in committees such as PC/BEC/AC/ BOC or VRC during the period of the sanction.</p>	

CHAPTER 11 – PROCUREMENT OF ESSENTIAL REQUIREMENTS

11.1 Procurement of Essential Requirements	Refer Manual 11.1
<p>Procurement of essential requirements to ensure day-to-day operations of the PEs often involves multiple awards for partial quantities to assure continuity of supply and multiple purchases over a period of time to take advantage of favourable market conditions.</p> <p>(a) PEs may maintain a list of qualified contractors, suppliers, and service providers for procurement of such requirements through the issuance of periodic invitations and shall maintain a registry.</p> <p>(b) The respective registry shall be opened for new contractors, suppliers, and service providers to apply and register throughout the year.</p> <p>(c) Bidders may be invited to quote prices, which prevail at the time of invitation.</p> <p>(d) The bid validity period shall be as short as possible.</p> <p>(e) If the price of the commodity intended to be procured is not in local currency, bidders shall be allowed to quote in the currency in which the commodity is usually priced in the market along with documentary evidence.</p> <p>(f) Bidders are permitted to submit bids through electronic means, telex or fax, if there is no requirement for bid security, or if standing bid securities valid over a specified period of time have been submitted by qualified bidders.</p> <p>(g) Standard contract conditions and forms consistent with market practices shall be used.</p>	
11.2 Procurement of Spare Parts	Refer Manual 11.2
<p>(a) PEs may purchase spare parts directly from the original manufacturer of equipment, or their authorized local agent. CAO/AO can take a decision to buy genuine spare parts, considering the quality and advantages.</p> <p>(b) PEs may purchase spare parts from independent manufacturers of spare parts, or spare part dealers, following the existing procurement procedure.</p>	

<p>11.3 Repairing Motor Vehicles and Equipment</p>	<p>Refer Manual 11.3</p>
<p>(a) Repairing motor vehicles and other equipment may be carried out through the local accredited agents of the manufacturer, provided that the PE is satisfied that the quotation is reasonable having considered the factors such as economy of the repair cost, the age, and the condition of the vehicles.</p> <p>(b) CAO/AO can assign repairs to motor vehicles to approved garages published by respective authorities.</p> <p>(c) CAO/AO shall appoint a competent committee to supervise and provide recommendations on the repair Works from the inception of the requisition until the completion of the repair Works and the processing of payments.</p>	
<p>11.4 Periodicals and Publications</p>	<p>Refer Manual 11.4</p>
<p>Periodicals and publications may be purchased directly from the publishers or their agents and if there is any discount, it should be so stated in the invoice.</p>	
<p>11.5 Purchasing of Fuel</p>	<p>Refer Manual 11.5</p>
<p>Requirements of fuel may be purchased from depot/s closer to the PE using the direct procurement method.</p>	
<p>11.6 Procurement of Pharmaceuticals and Medical Devices</p>	
<p>(a) Procurement of pharmaceutical and medical devices including drugs, vaccines, medical devices, biological products, nutritional additives, and contraceptives hereinafter collectively referred to as pharmaceuticals is a complex and unique process that requires special attention.</p> <p>(b) Separate Guidelines for the Procurements of Pharmaceuticals and Medical Devices of Consumable Nature are issued by the NPC.</p> <p>(c) The broad principles of procurement outlined in these Procurement Guidelines, will however, continue to be applicable to the extent possible, for the procurement of Pharmaceuticals and Medical Devices of a Consumable Nature, unless these have been amended/modified.</p> <p>(d) Guidelines for the Procurement of Pharmaceuticals and Medical Devices of a Consumable Nature should be read in conjunction with these Procurement Guidelines.</p>	

CHAPTER 12 – PROCUREMENT OF INFORMATION SYSTEMS

12.1 Procurement of Information Systems	
(a) “Information Systems (IS) procurement” is the common term used to designate all procurements having to do with Information and Communication Technology regardless of the hardware/software supply or service components such as installation, operation, and maintenance.	
(b) IS procurement shall also be conducted based on the principles, processes, and procedures described through these Procurement Guidelines.	
12.2 Procurement Documents for Information Systems	Refer Manual 12.2
Procurement Documents for Information Systems to be used are specified in the Procurement Manual.	
12.3 Proprietary Information Systems Procurements	Refer Manual 12.3
In the procurement of proprietary IS products, PE shall define required products, their technical specifications, and service requirements.	
12.4 Complex Supply and Installations and Complex System Engineering Procurements	Refer Manual 12.4
In this procurement, the bidder bears much of the design risk since it undertakes the responsibility to design and build a system that reaches operational acceptance.	
12.5 Consulting Services Related to Procurement of Information Systems	Refer Manual 12.5
(a) If Consulting Services related to Information Systems are required, the provisions of existing Guidelines on the Selection and Employment of Consultants shall apply.	
(b) When using the Requests for Proposals (RFP) for this type of assignment, customization is allowed to the existing standard RFP.	
12.6 Pre-qualification / Initial Selection of Bidders Related to Procurement of Information Systems	Refer Manual 12.6
Pre-qualification/Initial Selection may be used depending on the nature and complexity of the IS procurement, as required.	

CHAPTER 13 – ELECTRONIC GOVERNMENT PROCUREMENT

13.1 Introduction	Refer Manual 13.1
Electronic Government Procurement (e-GP) is the collaborative use of Information and Communication Technology (ICT) by Government Institutions for the Procurement Process.	
13.2 Implementation Process of Electronic Government Procurement at the Procuring Entities	Refer Manual 13.2
For the implementation of Electronic Government Procurement (e-GP), separate Guidelines and/or a Manual are issued by the NPC.	

CHAPTER 14 – PUBLIC PRIVATE PARTNERSHIPS

14.1 Public Private Partnerships	Refer Manual 14.1
(a) Public Private Partnership (PPP) is broadly defined as a long-term contract between a private investor and a Government Entity for providing a public asset or a service, in which the private investor bears significant risks and management responsibility.	
(b) A separate Guideline/Manual for Public Private Partnership arrangements are issued by the NPC.	

CHAPTER 15 – SUSTAINABLE PUBLIC PROCUREMENT

15.1 Introduction to Sustainable Public Procurement	Refer Manual 15.1
<p>(a) The objective of Sustainable Public Procurement (SPP) is to procure Goods, Works, and Non-consulting Services by considering economic, environmental, social, and institutional aspects to promote sustainable development while adhering to the principles of Public Procurement as described in these Procurement Guidelines.</p> <p>(b) PEs are required to give due weightage to the sustainable development aspects as applicable to specific procurement to achieve value for money by considering the lifecycle cost of respective procurement, generating benefits not only to the PE but also to the society and the economy. In this process, consideration should be given to environmental impacts which include Green Procurement standards and principles. It generally considers aspects such as what the products are made of, where they have come from, who has made them, how they are transported, and how they are eventually disposed of with due consideration to budgetary constraints.</p>	
15.1.1 Adaptation of Sustainable Public Procurement	Refer Manual 15.1.1
Sustainable Public Procurement parameters shall only be adopted after the introduction of separate Guidelines and/or Manual on Sustainable Public Procurements by the NPC in line with the Government policy framework and in consultation with the relevant authorities, covering implementation and monitoring aspects.	

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