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நிதி அமைச்சு  
MINISTRY OF FINANCE

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எனது இல. } PFD/PMD/Domestic/Cir.03/2020  
My No. }

ඔබේ අංකය }  
உமது இல. }  
Your No. }

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திகதி } 11 .01.2021  
Date }

**Public Finance Circular No 03/2020(i)**

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

**Policy on Supporting Domestic Industries**

The sub paragraph 3.1.iii. (b), iv, and v. under paragraph 3 of the Public Finance circular No. 03/2020 dated 09.10.2020 issued on the above subject is amended as follows.

**01. “3.1. Construction Industry;**

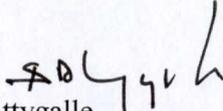
- iii. b) (i) For contracts with an estimated cost of more than Rs.150 million, and up to Rs.300 million, bids will be called exclusively from Local companies<sup>1</sup> (consultants and construction contractors) with a CIDA grading of C3 and C2, based on the corresponding estimated contract limits as recognized by CIDA.
- b) (ii) For contracts with an estimated cost of more than Rs.300 million, and up to Rs.600 million, bids will be called exclusively from Local Companies<sup>1</sup> (consultants and construction contractors) with a CIDA grading of C2 and C1, based on the corresponding estimated contract limits as recognized by CIDA.
- iv. Considering the role of the State Owned Enterprises (SOE) in these industries, when such SOE submits a bid for a contract on competitive basis then such SOE will be given a 5percent preference over all other contractors. This will be considered only at the financial evaluation and not at the Technical Evaluation.

<sup>1</sup> A “Domestic majority ownership firm, domestic firm or local company” is an entity first registered with the relevant authority in Sri Lanka with more than 51percent ownership held by Sri Lankan nationals and this definition shall be applicable entirely on this document.

- v. To ensure that the bids made not unrealistic, following criteria should be adopted;
- a) If the bid value is 11% to 19% less than the engineer's estimate, the performance bond should be increased by 5%.
  - b) If the bid value is 20% to 29% less than the engineer's estimate, the performance bond should be increased by 10%.
  - c) If the bid value is 30% or higher percentage less than the engineer's estimate, the bid will be rejected.”

02. “In order to rectify certain discrepancies that exists between the Sinhala version and the English version, the sub paragraph 2.1.1. of the paragraph 2.1 of the Public Finance circular No. 03/2020 dated 09.10.2020 issued on the above subject, English version of the above circular is amended as follows.

“2.1.1. In calling for bids for the procurement of application software, where the estimated cost is less than Rs.02 million, such bids shall be called exclusively from startups, those who are registered with the Information Communication Technology Agency (ICTA) and published in the website <https://startups.lk>. For the purpose of recognition as startups under this section of the circular, startups are those that have been registered as businesses with relevant authority for period more than six months and less than five years and also registered on the <https://startups.lk>.”

  
S.R. Attygalle  
Secretary to the Treasury

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