

**CIDA**

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நிர்மாணக் கைத்தொழில் அபிவிருத்தி அதிகாரசபை
CONSTRUCTION INDUSTRY DEVELOPMENT AUTHORITY

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வீடமைப்பு, நிர்மாணிப்பு, மற்றும் நீர் வழங்கல் அமைச்சு
MINISTRY OF HOUSING, CONSTRUCTION, AND WATER SUPPLY

IMPORTANT NOTICE TO ALL PROJECT PROCURING AND IMPLEMENTING AGENCIES

COMPLIANCE OBLIGATIONS, PROCUREMENT REQUIREMENTS AND REGULATORY MATTERS (GOV/CIDA/DIRECTIVE/105/2026)

The Construction Industry Development Authority (CIDA), in the discharge of its statutory responsibilities under the Construction Industry Development Act No. 33 of 2014 and related regulations, hereby reminds all Ministries, Departments, Provincial Councils, Local Authorities, State-Owned Enterprises, Universities, Banks, and other Project Procuring and Implementing Agencies of their obligations in relation to the procurement, award, implementation and administration of construction projects.

All agencies are requested to ensure strict compliance with the following requirements in the interest of transparency, accountability, safety, quality, fair competition, and effective utilization of public funds.

1. Submission of Contract Award Information to CIDA

All Procuring Agencies shall submit details of construction contract awards to CIDA within two (2) weeks of issuing a Letter of Intent, Letter of Award, Letter of Acceptance or any equivalent award notification. Information shall include:

- Name of project;
- Name of employer/procuring entity;
- Name and registration number of contractor;
- Contract value;
- Contract period;
- Procurement method adopted;
- Date of award.

Such information may be submitted to CIDA within two (2) weeks of receipt, by registered post or via an email ([address – info@cida.gov.lk](mailto:info@cida.gov.lk)).

Timely reporting assists CIDA in maintaining national construction industry statistics, monitoring industry performance and facilitating regulatory oversight.

Legal provision - CID Act: Section 29 – Records to be maintained by the Authority

2. Compliance with Occupational Safety and Health Requirements

Project Procuring and Implementing Agencies shall ensure that adequate provisions for occupational safety and health are incorporated into bill of preliminaries for measurement, pricing and payment.

Agencies shall ensure that:

- Comprehensive safety requirements are included in bidding documents.
- Contractors are required to submit and implement site-specific safety plans.
- Consultants and project officers actively monitor safety compliance.
- Public safety considerations are incorporated into project implementation.
- Unsafe conditions are immediately addressed.

Agencies are reminded that safety is a shared responsibility among employers, consultants, contractors and regulatory authorities.

Legal provision - CID Act:

(1) Section 30 – Qualified Persons to adhere to standards

(2) Section 46 – Standard documents specified by the Authority

3. Mandatory Use of Standard Bidding Documents

All Procuring Agencies shall utilize the Standard Bidding Documents (SBDs) and Standard Conditions of Contract approved by the NPC and CIDA, as applicable.

Agencies shall not:

- Delete standard contractual provisions;
- Introduce clauses inconsistent with procurement guidelines;
- Alter risk allocation mechanisms arbitrarily;
- Impose unreasonable contractual obligations on bidders;
- Include provisions that compromise fairness, competition or contract administration principles.

Any deviations from approved standard documents or requirement of using an international form shall be properly justified and authorized by CIDA.

Legal provision - CID Act: Section 46 – Standard documents specified by the Authority

4. Compliance with National Procurement Requirements

Procuring Agencies shall strictly adhere to all applicable procurement laws, regulations, circulars, guidelines and procedures.

Particular attention shall be given to:

- Ensuring fair and open competition;
- Providing adequate bidding periods;
- Avoiding discriminatory qualification requirements;
- Maintaining transparency throughout procurement processes;
- Providing equal opportunity to eligible bidders;
- Conducting evaluations in accordance with published criteria;
- Avoiding unnecessary restrictions on participation.

Procurement practices that unnecessarily limit competition or exclude qualified contractors undermine public confidence and value for money.

Legal provisions - CID Act:

(1) Section 46 – Standard documents specified by the Authority

(2) Adherence to National Procurement requirements as per the constitutional obligations

5. Compliance with CIDA Directives, Circulars and Guidance Notes

All agencies involved in procurement and implementation of construction projects shall remain fully acquainted with directives, circulars, advisories, technical guidelines and instructions issued by CIDA from time to time.

These may include guidance relating to:

- Price fluctuation and escalation adjustments;
- Registration requirements;
- Occupational safety and health;
- Standard procurement practices;
- Quality assurance and technical standards;
- Contract administration procedures;
- Enforcement and regulatory compliance.

Agencies are expected to implement such directives within their respective procurement and project management systems.

Legal provisions - CID Act:

(1) Section 46 – Standard documents specified by the Authority

(2) Section 30 - : Extra Ordinary Gazette No. 2057/5 of 05.02.2018 and 2430/13 of 01.04.2025

(3) Section 38 – Extra Ordinary Gazette No. 2430/13 of 01.04.2025

6. Consultation with CIDA Prior to Seeking Exceptional Approvals or Policy Deviations

Procuring and Implementing Agencies are reminded that CIDA is the statutory authority entrusted with the regulation and development of the construction industry and the issuance of industry directives, guidelines, technical advisories and regulatory requirements.

Accordingly, where an Agency encounters difficulties, ambiguities, exceptional circumstances or implementation challenges, the Agency shall first consult CIDA and seek guidance, clarification, recommendations or directives before referring such matters to higher authorities or seeking alternative approvals.

Early engagement with CIDA will facilitate uniform interpretation of regulations, consistency in decision-making and avoidance of unnecessary disputes, delays and financial consequences.

Legal provisions - CID Act:

- (1) *Section 46 – Standard documents specified by the Authority*
- (2) *Section 30 - Extra Ordinary Gazette No. 2057/5 of 05.02.2018 and 2430/13 of 01.04.2025*

7. Avoidance of Decisions Contrary to CIDA Regulations, Directives and Established Industry Frameworks

Procuring and Implementing Agencies are advised not to seek approval through Cabinet Memoranda, Ministerial submissions, Board decisions, internal administrative instruments, project-specific directives or any other subsidiary mechanism that may directly or indirectly contradict:

- The Construction Industry Development Act and regulations;
- CIDA directives, circulars and guidelines;
- Approved Standard Bidding Documents;
- Standard Conditions of Contract;
- Established procurement principles; or
- Regulatory requirements applicable to the construction industry.

Agencies are reminded that decisions taken on an ad hoc basis without adequate technical, legal, contractual and fiscal evaluation may create significant consequences including:

- Inconsistency in public sector procurement practices;
- Distortion of industry standards;
- Contractual disputes and claims;
- Unequal treatment of contractors;
- Increased project costs and financial liabilities;
- Audit observations and accountability concerns; and
- Regulatory non-compliance.

Where an Agency believes that exceptional circumstances warrant departure from established regulatory or contractual frameworks, the matter should first be referred to CIDA for technical evaluation, guidance and recommendations prior to seeking approvals from higher authorities.

This requirement is intended to ensure consistency of public sector construction practices, protection of public funds, and maintenance of a predictable and equitable operating environment for all industry stakeholders.

Legal provisions

- (1) *CID Act: All relevant provisions specified in the Act*
- (2) *Adherence to National Procurement requirements as per the constitutional obligations*

8. Timely Certification, Payment and Settlement of Contractual Claims

Procuring and Implementing Agencies are reminded that timely certification and payment are essential for maintaining the financial sustainability of the construction industry.

Agencies shall ensure:

- Prompt certification of interim payment applications;
- Timely settlement of certified payments;
- Timely release of retention monies;

- Expeditious settlement of final accounts;
- Prompt evaluation and determination of contractual claims.

Unreasonable delays contribute to project disruptions, contractor distress, disputes and increased project costs.

Legal provisions

(1) CID Act: Provisions of sections 30 and 46 of the Act

(2) Adherence to National Procurement requirements as per the constitutional obligations

9. Engagement of Registered Contractors Only

Agencies shall ensure that construction works requiring CIDA registration are awarded only to appropriately registered contractors possessing the required grade and field of specialization.

Prior to award, agencies shall verify:

- Validity of contractor registration;
- Appropriate grading level;
- Applicable specialty categories;
- Registration status at the time of bidding and award.

Failure to comply may constitute a violation of statutory requirements.

Legal provisions

(1) CID Act: Section 38 – Extra Ordinary Gazette No. 2430/13 of 01.04.2025

(2) Gov /CIDA/Directive/10/2026 of 15.06.2026 – Clustering of CIDA Grades and waiving off experience requirement

(3) NPC Supplement 5 of 25.06.2026- Ref. NPG 5.6.1 – Eligibility for Works Contracts

10. Prevention of Fronting and Registration Misuse

Procuring Agencies are requested to remain vigilant against practices involving:

- Fronting arrangements;
- Nominee contracting;
- Misuse of contractor registrations;
- Substitution of contractors without approval;
- Unauthorized assignment of works.

Any suspected violations should be reported to CIDA immediately.

Legal provisions

CID Act: Section 36 – Suspension or cancellation of a Certificate of Registration Extra Ordinary Gazette No. 2181/21 of 25.06.2020

11. Contractor Performance Monitoring and Reporting

Agencies are encouraged to maintain systematic contractor performance records and provide feedback to CIDA where appropriate.

Particular attention should be paid to:

- Quality of work;
- Project delivery performance;
- Safety compliance;
- Contract administration practices;
- Dispute history;
- Professional conduct.

Such information assists CIDA in maintaining a credible contractor registration and grading system.

Legal provisions

CID Act: Section 40 – Monitoring of Contractors

Extra Ordinary Gazette No. 2116/48 of 28.03.2019

12. Reporting Unethical, Fraudulent and Corrupt Practices

Agencies are encouraged to report any suspected:

- Bid rigging;
- Collusion among bidders;
- Fraudulent practices;
- Forgery of documents;
- Misrepresentation of qualifications;
- Undue influence or interference;
- Conflicts of interest;
- Corruption and malpractice.

Timely reporting facilitates regulatory intervention and strengthens industry governance.

Legal provisions - CID Act: Section 36 – Suspension or cancellation of a Certificate of Registration Extra Ordinary Gazette No. 2181/21 of 25.06.2020

13. Cooperation with CIDA Audits, Inspections and Investigations

CIDA may conduct audits, inspections, verifications and investigations relating to:

- Procurement practices;
- Contract awards;
- Project implementation;
- Safety compliance;
- Contractor performance;
- Registration compliance;
- Regulatory violations.

Procuring and Implementing Agencies are expected to cooperate fully and provide access to documents, records and project information when requested.

Legal provisions

(1) CID Act: All relevant provisions specified in the Act

(2) Adherence to National Procurement requirements as per the constitutional obligations

14. Submission of Complaints, Observations and Requests for Assistance

Procuring and Implementing Agencies are encouraged to seek CIDA's assistance and guidance on matters relating to:

- Procurement documentation;
- Contractor registration requirements;
- Contract administration;
- Price fluctuation matters;
- Occupational safety and health;
- Industry disputes;
- Regulatory compliance issues.

Early engagement with CIDA can assist in preventing disputes, delays and procurement irregularities.

Legal provisions - CID Act : All provisions in the CID Act are applicable

15. Adoption of Good Governance and Best Practices

All agencies are encouraged to promote:

- Transparency and accountability;
- Fair competition;
- Professional contract administration;
- Timely decision-making;
- Proper risk allocation;
- Value for money;
- Sustainable construction practices;
- Safety and quality culture.

These principles are fundamental to achieving successful project outcomes and safeguarding public resources.

Legal provisions - CID Act : All provisions in the CID Act are applicable

CIDA's Commitment

CIDA remains committed to supporting all Procuring and Implementing Agencies in achieving efficient, transparent, safe and high-quality delivery of construction projects. The cooperation of all public institutions is essential to strengthening governance, enhancing industry performance and ensuring the effective utilization of public funds.

Director General

Construction Industry Development Authority (CIDA)