

**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 REGISTERED CONTRACTORS

COMPLIANCE OBLIGATIONS, REPORTING REQUIREMENTS AND REGULATORY MATTERS (GOV/CIDA/DIRECTIVE/106/2026)

The Construction Industry Development Authority (CIDA), in the discharge of its statutory responsibilities to regulate, develop and promote the construction industry of Sri Lanka, hereby reminds all registered contractors of their obligations under the Construction Industry Development Act, applicable regulations, procurement guidelines, standard conditions of contract, and directives issued by CIDA from time to time.

Contractors are requested to take note of the following matters and ensure strict compliance.

1. Submission of Letters of Intent, Award and/or Acceptance

Requirement:

All registered contractors who receive a Letter of Intent (LOI), Letter of Award (LOA), Letter of Acceptance, or any equivalent notification relating to the award of a construction contract shall submit a copy of such document to CIDA within two (2) weeks of receipt, by registered post or via an email (address – info@cida.gov.lk)

Timely submission of contract award information is essential for maintaining accurate industry records, monitoring sector performance, and facilitating policy and regulatory interventions.

Failure to submit such information within the stipulated period may be taken into consideration during the contractor registration renewal process and may result in a reduction of marks under the performance evaluation criteria.

*Legal provision in the CID Act: Section 40 Monitoring of Contractors / Section 55 – National Data Base
Published Regulations / Rules: Extra Ordinary Gazette No. 2116/48 of 28.03.2019*

2. Compliance with Occupational Safety and Health Requirements

Contractors are reminded that occupational safety and health requirements are mandatory and shall be observed at all construction sites without exception.

Contractors shall ensure that:

- A fully fledged bill of Preliminaries is provided for in the contract and adequately priced.
- Adequate safety measures are maintained at all times.
- Workers are provided with the necessary safety equipment and training.
- The safety of the public, neighboring properties and road users is protected.
- Hazardous conditions are promptly addressed.
- Complaints and concerns raised by members of the public, employers, consultants, local authorities and regulatory agencies are attended to without delay.

Failure to comply with applicable safety requirements may constitute a violation of the law and may result in enforcement action by the relevant authorities.

*Legal provision in the CID Act: Section 38 Registered Contractors in identified Construction Works
Published Regulations / Rules: Extra Ordinary Gazette No. 2085/20 of 23.08.2018*

3. Reporting Deviations from Standard Bidding Documents and Standard Forms of Contract **Contractors are encouraged to notify CIDA in writing of any instance where:**

- Standard Bidding Documents (SBDs) have been altered.
- Standard Conditions of Contract have been amended, deleted, substituted or materially modified.
- Contractual provisions are inconsistent with established procurement and contract administration practices.
- Conditions are imposed that unfairly prejudice contractors or compromise contractual fairness.

Such reporting assists CIDA in safeguarding transparency, uniformity and fairness in the procurement and contracting process.

*Legal provision in the CID Act: Section 46 Standard documents specified by the Authority to be used
Published Regulations / Rules: Not available*

4. Reporting Procurement Irregularities and Violations of National Procurement Requirements **Contractors are requested to promptly report, with justifications, any procurement-related irregularities, including but not limited to:**

- Unreasonable restrictions on competition.
- Qualification criteria designed to exclude otherwise capable contractors.
- Arbitrary or discriminatory procurement conditions.
- Unreasonably short bidding periods.
- Lack of transparency in procurement procedures.
- Failure to provide equal opportunity for eligible contractors to participate.
- Any other departure from applicable procurement laws, guidelines, circulars or established procurement principles.

Contractors are particularly encouraged to inform CIDA where procurement practices deprive them of a fair opportunity to compete for public sector construction projects.
Early reporting enables timely intervention and engagement with procuring entities and relevant authorities.

*CIDA has no provision for this although CIDA assist the industry by cross checking
(This is however under the scope of NPC)*

5. Compliance with CIDA Directives, Circulars and Guidance Notes

Contractors are advised to regularly visit the CIDA website and remain fully acquainted with all directives, circulars, guidelines, advisories and technical instructions issued by the Authority.

These may include guidance relating to:

- Price escalation and fluctuation adjustment mechanisms.
- Contractor registration and grading requirements.
- Occupational safety and health.
- Procurement and tendering practices.
- Enforcement matters.
- Quality assurance and technical standards.
- Regulatory compliance requirements.

Contractors shall be responsible for ensuring compliance with such directives upon publication.

(A general guidance: No specific reference in the CID Act)

6. Reporting Delays in Payments, Certifications and Settlement of Claims

Contractors experiencing unreasonable delays in:

- Certification of interim payment applications;
- Settlement of certified payments;
- Release of retention monies;
- Final account settlements;
- Evaluation and determination of legitimate contractual claims;

are encouraged to report such matters to CIDA together with supporting documentation.

The timely settlement of payments remains essential to maintaining the financial sustainability of the construction industry.

*Legal provision in the CID Act: Part IX Settlement of Disputes
Published Regulations / Rules: Pending publication of gazettes*

7. Reporting Unregistered Construction Activities

Contractors and members of the public are encouraged to report instances where:

- Construction work requiring CIDA registration is undertaken by unregistered entities;
- Contractors operate beyond the scope of their registered grade or field;
- Registration certificates are misused or misrepresented;
- Unauthorized persons claim CIDA registration status.

Such information assists CIDA in ensuring compliance with statutory registration requirements.

(A general guidance: No specific reference in the CID Act)

8. Engagement of Unregistered Contractors for Public Works

Registered contractors are reminded that public construction works shall not be executed through unregistered entities where registration is required under applicable laws and regulations.

Contractors shall not:

- Engage unregistered entities to undertake works that legally require CIDA registration;
- Circumvent registration requirements through indirect arrangements;
- Allow unregistered parties to execute substantial portions of public works contrary to regulatory requirements.

Main contractors shall remain responsible for ensuring compliance by all subcontractors and parties engaged on a project.

Any person possessing information regarding such practices is requested to report the matter to CIDA together with supporting evidence.

- (1) Legal provision in the CID Act: Section 38 Registered Contractors in identified Construction Works -Published Regulations / Rules: Extra Ordinary Gazette No. 2085/20 of 23.08.2018
- (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

9. Submission of False, Misleading or Fraudulent Information to CIDA

Contractors are reminded that all information submitted to CIDA for registration, renewal, upgrading, grading, certification or any other regulatory purpose shall be accurate, truthful and verifiable. This includes, but is not limited to:

- Financial statements and records;
- Work experience and project details;
- Technical personnel information;
- Plant and machinery records;
- Ownership and management information;
- Tax and statutory compliance records;
- Supporting certificates and declarations.

Submission of false, misleading, forged, manipulated or fraudulent information constitutes a serious violation and may result in:

- Rejection of applications;
- Downgrading of registration;
- Suspension of registration;
- Cancellation of registration;
- Blacklisting;
- Legal or disciplinary action as permitted by law.

*Legal provision in the CID Act: Section 36 Suspension or cancellation of a Certificate of Registration
Published Regulations / Rules: Extra Ordinary Gazette No. 2181/21 of 25.06.2020*

10. Reporting Fronting Arrangements and Misuse of Registration

Contractors are requested to report any instance where:

- A registered contractor permits another entity to use its registration status;
- A contractor acts as a nominee or front for an unregistered party;
- Registration credentials are used by persons other than the registered contractor;
- Bidding or execution of works is undertaken through improper arrangements designed to circumvent legal requirements.

Such practices undermine fair competition, industry standards and public confidence in the registration system.

(A general guidance: No specific reference in the CID Act)

11. Reporting Unethical and Improper Industry Practices

Contractors are encouraged to bring to the attention of CIDA any unethical, improper or unlawful practices affecting the construction industry, including:

- Bid manipulation;
- Collusive tendering arrangements;
- Forgery or falsification of documents;
- Misrepresentation of qualifications or experience;
- Undue influence in procurement processes;
- Conflicts of interest;
- Corrupt or fraudulent practices.

*Legal provision in the CID Act: Section 30 Qualified persons to adhere to standards
Published Regulations / Rules: Extra Ordinary Gazette No. 2057/5 of 05.02.2018*

12. Updating Contractor Information

Contractors shall ensure that information maintained with CIDA is kept current and accurate at all times.

This includes updates relating to:

- Registered office address;
- Contact details;
- Directors and proprietors;
- Technical personnel;
- Ownership structure;
- Business registration details;
- Any other information relevant to registration status.

Failure to maintain updated records may adversely affect registration-related matters.

Legal provision in the CID Act: Section 35 Procedure for registration of contractors and renewal of registration

Published Regulations / Rules: Extra Ordinary Gazette No. 2057/5 of 05.02.2018 and 2430/13 of 01.04.2025

13. Regulatory Audits, Inspections and Investigations

Contractors are reminded that CIDA may conduct audits, inspections, verifications and investigations relating to:

- Contractor registration and grading;
- Information submitted to the Authority;
- Construction project performance;
- Procurement participation;
- Safety compliance;
- Regulatory violations and complaints.

Contractors are expected to cooperate fully with such activities and provide information when requested.

(A general guidance including all sections)

14. Submission of Complaints and Reports

Contractors are encouraged to submit complaints, observations, reports and supporting evidence regarding any of the matters referred to in this notice.

Information received will assist CIDA in strengthening industry governance, promoting fair competition, enhancing safety, improving procurement practices and ensuring compliance with applicable laws and regulations.

(A general guidance including all sections)

CIDA's Commitment

CIDA remains committed to promoting professionalism, transparency, safety, quality, ethical conduct and sustainable development within Sri Lanka's construction industry. The cooperation of all registered contractors is essential in achieving these objectives.

Director General

Construction Industry Development Authority (CIDA)