



Construction Industry Development Authority (CIDA)

Directive on

Treatment of bulk (industry) fuel purchases under works contracts



Gov/CIDA/Directive/102/2026

In view of the introduction of a separate “Industry/Bulk Price” for fuel by the Ceylon Petroleum Corporation (CPC), with effect from 28.02.2026, the following guidelines are issued to all relevant Procurement Entities who are implementing ongoing Works Contracts.

1. Continuation of Existing Fuel Index [P3-Fuel]

The current methodology adopted by CIDA for computation of the fuel price index, based on “Dealer’s price of a litre of auto diesel (weighted average price of CPC & LIOC) shall remain unchanged.

2. Supplementary Adjustment for Bulk Fuel Purchases

In instances where contractors procure fuel at CPC-approved Industry/Bulk Prices for use in construction activities under Works Contracts, a separate supplementary payment shall be made to account for the price difference between the Bulk/Industry price & Retail Price.

3. Recommended Method of Calculation

The supplementary payment shall be computed as:

Supplementary Bulk Fuel Adjustment (SBFA) =

(CPC Bulk/Industry Price – CPC Retail Price) × Verified Quantity of Fuel purchased & Used

4. Eligibility Criteria

The above adjustment shall be payable only upon submission of:

- Valid CPC invoices indicating purchase at Industry/Bulk Price
- Records demonstrating actual utilization of such fuel for the specific Contract/project
- Delivery and stock records enabling traceability

5. Verification and Certification

All claims under this provision shall be subject to verification and certification by the Engineer to the Contract of the project.

6. Restrictions

- No payment shall be made on estimated or unverified quantities
- No other claim shall be entertained for the full bulk fuel price. Only the difference between the Industry/Bulk Price and the Retail Price shall be payable under this provision.

7. Applicability Period

This provision shall apply with effect from 28.02.2026 as an interim measure and shall be reviewed periodically, or until such time as the fuel pricing mechanism is rationalized by CPC.

All government Procurement Entities are instructed to comply with the above with immediate effect.

Chairman,

Construction Industry Development Authority (CIDA)

06.05.2026