



**Democratic Socialist Republic of Sri Lanka**

# **Supplement – 12**

To the

# **PROCUREMENT MANUAL**

**Issue Date: 2007-08-09**

**(To be used along with Procurement Guidelines 2006 Goods & Works)**

**This supplement supersedes the sections  
PROCUREMENT GUIDELINE REFERENCE: 3.9.1.**

**Direct Contracting to Community Based Organizations (CBO)**

**NATIONAL PROCUREMENT AGENCY**

**Direct Contracting to Community Based Organizations (CBO)**

In the interest of project sustainability, or to achieve certain specific social objectives, such as creating employment opportunities in the area it is desirable to call for the participation of local communities in the Procurement procedures. Subject to the above and on the recommendation of a committee comprising two nominees of the Head of Department and the Divisional Secretary of the location, the Procuring Entity may entrust construction Works to approved societies subject to the conditions specified below..

<b>Conditions</b>	<b>Assessment</b>	<b>Approved Societies:</b>
<ul style="list-style-type: none"> <li>○ Procuring Entity shall assess and satisfy with the execution capacity of the Society;</li> <li>○ Should have been registered as a society at least two years prior to the date of contract award;</li> <li>○ The works so entrusted should be within the area of authority and purview of the Society;</li> <li>○ The works entrusted shall not be subcontracted</li> <li>○ Total number of contracts executed by the society at a given time should not exceed three;</li> <li>○ The aggregate value of the balance portion of the contracts already awarded and the value of the proposed contract should not exceed should not exceed Rs. 2 m;</li> </ul>	<p>the Society shall provide evidence to prove that either:</p> <ul style="list-style-type: none"> <li>(i) they are registered with ICTAD under the National Registration system, for Grade M8 or higher; or</li> <li>(ii) shall submit to the committee for their review:                             <ul style="list-style-type: none"> <li>(a) financial resources in the form of bank statements, letters from banks approving overdraft facilities etc;</li> <li>(b) past experience on similar works;</li> <li>(c) a declaration by the society on the work contracted to them within the last 3 years and any uncompleted contracts even if it was awarded prior to 3 years (giving name of contract, location, client, contract value and current status); and</li> <li>(d) a declaration by the society, that the work will not be subcontracted.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Samurdhi Balakayas / Samurdhi Samithi;</li> <li>○ Multi Purpose Co-operative Societies;</li> <li>○ Co-operative Labour Societies (Labour Service only);</li> <li>○ Rural Development Societies;</li> <li>○ School Development Societies (The area of authority is the relevant school premises only);</li> <li>○ Farmer organizations approved by the appropriate authorities.</li> <li>○ Gramodaya Mandalas &amp; Praja Sanwardhana Samithi (which contribute to the development activities in the Local Government Sector)</li> <li>○ Gemidiriya People’s Companies</li> <li>○ Condominium Management Corporations which are registered with the Condominium Management Authority</li> <li>○ Viharastha Karya Sadhaka Samithis (work within the premises of the respective temples and the Dhamma Schools)</li> <li>○ Viharastha Dayaka Sabha (work within the premises of the respective temples and Dhamma Schools )</li> </ul>

Direct contracting to community organization may be awarded under Foreign Funded Project, provided the procedures proposed are outlined in the loan Agreement.