

Public Finance Circular No 04/2020

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 and Government Owned Companies,

<u>Granting Special Preference for Public Enterprises when submitting bids under the</u> <u>Competitive Bidding Procedure</u>

In consistent with the current policy direction of the government, to strengthen Public Enterprises, the Cabinet of Ministers, has decided vide its decision dated 19.10.2020 to grant special preference to Public Enterprises, whenever government institutions procure goods and services through competitive bidding procedure, utilizing domestic funds.

02. Accordingly, whenever a Public Enterprise submits a bid under the competitive bidding procedure floated by a public entity, particular Public Enterprise will be given a 15 percent special preference over rest of the bidders. This special treatment will be considered only during the Financial Evaluation stage and not during the Technical Evaluation stage. This Preference will be considered only if the relevant Procurement Committee is satisfied that the goods and services included in the bid submitted by the relevant Public Enterprise, constitute sizeable value addition by way of domestic inputs such as local raw materials, labour and overheads.

03. Public Enterprises engaged in the Software and Hardware Industry, Construction Industry, Furniture and Allied Industries which are highlighted in Paragraph 01 of Public Finance Circular No. 03/2020 dated 09.10.2020 do not become eligible to receive the special preference stated in paragraph 02 of this Circular as these agencies are already given special preferences under the Circular under reference.

04. Any clarification with regard to this circular could be obtained from the Director General Public Finance on Tel. 011-2484614.

Sgd. S.R. Attygalle Secretary to the Treasury

Copies: 1.Secretary to the President

- 2. Secretary to the Prime Minister
- 3. Secretary to the Cabinet of Ministers
- 4. Auditor General