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 Chief Secretary's Secretariat, Northern Provincial Council



63, நல்லூர் குறுக்கு வீதி, நல்லூர், யாழ்ப்பாணம்.
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My No: NP/09/FRM/CIR/2015

14.07.2015

Provincial Finance Circular No: PF/06/2015

Provincial Secretaries,
 Deputy Chief Secretaries,
 Heads of Departments,
 Northern Province

PROVINCIAL PROCUREMENT PROCEDURES
AS PER PROCUREMENT GUIDELINES

The Government Procurement Guidelines and the Procurement Manual have been published and approved by the Cabinet Ministers in order to enhance the transparency of government procurement process to minimize delays and to obtain financially the most advantages and qualitatively the best services and supplies for the Nation.

2. As it is the mandatory requirement to follow the procurement procedures as per Procurement Guidelines-2006, Northern Provincial Council has decided to follow same with suitable amendments for the respective authority limits and the Hon. Governor, Northern Provincial Council has approved same. Since authority limits of 2006 Guidelines has been subsequently amended by supplements. It has become necessary to revise the authority limits of the Provincial Guidelines. Accordingly the very important items are taken into consideration for the smooth functions of the procurement in this Province and the limits of authority are being fixed (Schedule I for Works and Schedule II for Goods & Services) as instructions considering the availability of funds and it has been decided to implement the new limits with effect from 2015.

3. AUTHORITIES

**AUTHORITY OF PROCUREMENT COMMITTEES FOR CONTRACT AWARDS
 RECOMMENDATION / DETERMINATION**

When open competitive bidding Procedures are followed for the International Competitive Bidding (ICB), National Competitive Bidding (NCB), Limit/Restricted International Competitive Bidding (LIB) and Limit/Restricted National Competitive Bidding (LNB) (Guideline 3.1, 3.2 or 3.3).

As per Procurement Manual Supplement-28, clause 2.14.1 Provincial Councils are considered as equivalent to the Cabinet Ministry. The Chief Secretary's Procurement Committee (CSPC) will be considered as equivalent to Cabinet Ministry Procurement Committee and the Board of Ministers Approved Procurement Committee (BMAPC) will handle above the limit of the CSPC.

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- 3.1 **FORCE ACCOUNT (GUIDELINES 3.7.1 & 3.7.2)**
As per Procurement Guidelines and the Manual 2006.
- 3.2. **EMERGENCY PROCUREMENTS (GUIDELINES 3.8.1)**
As per Procurement Guidelines and the Manual subject to the delegation by the Chief Secretary at the time of Emergency.
- 3.3. **COMMUNITY PARTICIPATION IN PROCUREMENT (GUIDELINES 3.9.1 & 3.9.2)**
As per Procurement Guidelines and the Manual.
- 3.4. **AWARD OF DISTRICT / DIVISIONAL LEVEL CONSTRUCTION CONTRACT (GUIDELINES 3.9.4)**
As per Procurement Guidelines and the Manual.
- 3.5. **PROCUREMENT OF SPARE PARTS (GUIDELINES 9.2)**
As per Procurement Guidelines and the Manual.
- 3.6. **REPAIRS TO MOTORVEHICLE & EQUIPMENT (GUIDELINES 9.3.1 A& B)**
As per Procurement Guidelines and the Manual.
- a) Repairs to motor vehicles and other equipment may be carried out through the local accredited agents of the manufacturer provided that the PE is satisfied that the quotation is reasonable, having taken into account the economy of the repair cost, the age and condition of the vehicles.
- b) However, the approval of the Chief Secretary should be obtained for repairs exceeding the cost of SLR 200,000/- (Sri Lanka Rupees Two hundred thousand)
- 3.7. **PERIODICAL AND PUBLICATION (GUIDELINES 9.4.1)**
As per Procurement Guidelines and the Manual.

4. **COMMITTEES**

4.1. **TECHNICAL EVALUATION COMMITTEE (TEC)**

In addition to the procedural requirements already practiced, the following shall be specifically adhering to in the appointment of the Technical Evaluation Committee.

There shall be TEC to assist all the formal Procurement Committee for procurement of works, goods and services of all types. The TEC shall be headed by a competent person in the relevant field and consist of at least two other nominated member by the Local Head/Head of the Department/Secretary as the case may be. Single member of the TEC could be appointed for civil work less than Rs. 2.0 Million and Goods & Services less than Rs. 0.5 Million

In special situations procurement of Works, Goods and Services shall be decided on the Technical feasibility and recommendation of single source technical expert.

In case of small value procurements for civil work less than Rs. 2.0 Million and Goods & Services less than Rs.0.5 Million a technical competent person may be added to the Procurement Committee and award may be decided without TEC.

4:2. **PROCUREMENT COMMITTEE**

Composition of Procurement Committee

4:2:1. **Board of Ministers Approved Procurement Committee (BMAPC)**

- a. Chief Secretary as Chairman
- b. Deputy Chief Secretary – Finance (Permanent Member)
- c. Relevant Secretary to the subject Ministry
- d. Deputy Chief Secretary- Engineering services
- e. Relevant Head of Department

All requests for appointment of BMAPC shall be addressed to Chief Secretary and shall be submitted to Board of Ministers.

4:2:2. **Chief Secretary Procurement Committee (CSPC) – Minor**

- a. The number of members in a CSPC (minor committee) shall be three
- b. Chief Secretary as Chairman
- c. Other two members shall be staff officers. Three suitable alternate staff officers may be appointed. Any two of these members may serve in the committee.

4:2:3. **Chief Secretary Procurement Committee (CSPC) – Major**

- a. The number of members in a CSPC (Major committee) shall be minimum three
- b. Chief Secretary as Chairman
- c. Deputy Chief Secretary – Finance (Permanent Member)
- d. Relevant Secretary to the subject Ministry
- e. Deputy Chief Secretary- Engineering services
- f. Relevant Head of Department

4:2:4. **Provincial Ministry Procurement Committee (PMPC) – Minor**

- a. The number of members in a PMPC (Minor) shall be three
- b. Secretary to the Ministry as Chairman
- c. Other two members shall be staff officers. Three suitable alternate staff officers may be appointed. Any two of these members may serve in the committee.

4:2:5. **Provincial Ministry Procurement Committee (PMPC) – Major**

- a. The number of members in a PMPC (major committee) shall be three
- b. Secretary to the Implementing Agency as Chairman
- c. Head of the Implementing Agency.
- d. Representative of Provincial Treasury/Head of the Client Department

In the case of Department of Buildings is the Implementing Agency a representative from the Provincial Treasury will be a non Member on advisory capacity.

- 4:2:6. **Department Procurement Committee (DPC)– Minor**
- a. The number of members in a DPC (minor committee) shall be three
 - b. Head of Department as Chairman
 - c. Other two members shall be staff officers. Three suitable alternate staff officers may be appointed. Any two of these members may serve in the committee

- 4:2:7. **Department Procurement Committee (DPC) – Major**
- a. The number of members in a DPC (major committee) shall be three
 - b. Head of Department as Chairman
 - c. Representative from the respective Ministry
 - d. Accountant of the Department/Representative of the Client Department.

In the case of Building Department representative member from the ministry shall be the Chief Accountant.

- 4:2:8. **Regional Procurement Committee (RPC)**
- a. The number of members in a RPC shall be three
 - b. Local Head of Department as Chairman
 - c. Representative from other Department in the relevant field
 - d. One Accountant from the Department or any other Department

- 4:2:9. **Divisional Procurement Committee (DPC)**
- a. The number of members in a RPC shall be three
 - b. Divisional Head as Chairman
 - c. Representative from other Department in the relevant field
 - d. Accountant of the respective Regional Department

5. **NOMINATION OF THE PROCUREMENT COMMITTEE SHALL BE MADE BY**

DivPC	-	Requested by Divisional Head recommended by RHD and appointed by HD
RPC	-	Requested by RHD and appointed by HD
DPC	-	Requested by HD and appointed by PS
PMPC	-	Requested by PS appointed by CS
CSPC	-	Requested by PS appointed by CAO
BMAPC	-	Board papers submitted by relevant HD/PS with the recommendation of Chief Secretary and approved by Board of Ministers.

In case of Minor Procurement Committee if TEC is not feasible, a subject specialist may be additionally incorporated in the Procurement Committee.

6. **PROCUREMENT PLAN**

All Procurement Entities shall submit the Procurement Plan to the Chief Secretary before 31st of January each year for monitoring purposes. Any deviation to the Procurement Plan should be intimated to the Chief Secretary.

7. **PAYMENTS**

For the payment of members of committees and staff officers, you may refer Procurement Manual Supplement No: 25 issued by Department of Public Finance and subsequent circulars. Also further procurement procedures you may refer Procurement Guidelines, Manual, Supplements and Circulars which is available in Ministry of Finance and Planning web site www.treasury.gov.lk

8. APPROVAL, SANCTIONING AND CONTRACT AGREEMENT


8:1. Approval and Sanctioning of Estimates

- For Procurements not exceeding RS. 5 M Regional Head of Department
- For Procurement not exceeding RS. 25 M Head of Department
- For Procurement not exceeding RS. 40 M Provincial Secretary
- For Procurement above RS. 40 M Chief Secretary

8:2. Execution of Contract Agreement

Execution of Contract Agreement		
Following the acceptance of a bid submitted by a bidder, a formal letter of acceptance shall be issued forthwith to the bidder by the Procuring Entity. This shall be followed by the execution of a formal contract for the following:		
(a) Any contract for Works exceeding SLR 250,000 (Sri Lanka Rupees Two hundred and fifty thousand) and		
(b) Any Goods or Service contract exceeding SLR 500,000.00 (Sri Lanka Rupees Five hundred thousand).		
The formal contract shall be signed by the authorities given below.		
Up to Rs. 5 Mn	Regional Head of the Department	Wherever available standard form of agreement approved by Dept. of Public Finance shall be used, The approved forms are published in the Website of Dept. of Public Finance
Up to Rs. 25 Mn	Head of Department	
Up to Rs. 40 Mn	Provincial Secretary	
More than Rs.40 Mn	Chief Secretary	

Provincial Treasury Circulars No: PT/30/2007 dated 14.12.2007 and No: PT/30(II)/2007 dated 16.02.2009 are hereby repealed.


A. Pathinathan
Chief Secretary

Copy to:

1. Secretary to the Hon. Governor, NP
2. Secretary, Finance Commission
3. Secretary, Ministry of Provincial Council & LG
4. Asst. Auditor General, NP

To inform to the
Hon. Governor

} For your information
please

Summary of Procurement Authority Chart - Works

Schedule I

Type of Procurement Committees	Works					
	Shopping		Direct Procurement			
	With 5 Quotations	With 3 Quotations	With the Approval of CS *	With HOD Supervision *		
1	BMAPC Board of Ministers Approved Procurement Committee	(200M-600M)				
2	CSPC - Major Chief Secretary Procurement Committee - Major	<200M	<20 M	<1 M		
3	CSPC - Minor Chief Secretary Procurement Committee - Minor	<10 M	<5 M	<0.5 M	<0.5 M	<0.1 M (CS Approval)
4	PMPC- Major Provincial Ministry Procurement Committee - Major	<40 M	<5 M			
5	PMPC- Minor Provincial Ministry Procurement Committee - Minor	<5 M	<2.5 M	<0.5 M	<0.5 M	<50,000/=
6	DPC-Major Departmental Procurement Committee- Major	<25 M	<2 M			
7	DPC-Minor Departmental Procurement Committee- Minor	<2 M	<1M	<0.5 M	<0.5 M	<25,000/=
8	RPC Regional Procurement Committee	<5 M	<1 M			<15,000/=
9	Div.PC Zonal Education	<5 M	<1M			<15,000/=
10	Div.PC Divisional Procurement Committee	<2.5 M				

* - Emergency Situation

Summary of Procurement Authority Chart - Goods & Services

S.No	Type of Procurement Committees	Goods & Services						
		ICE, NCB, LCB	Shopping			Direct Procurement		
			With 5 Quotations Closing at pre-disclosed deadline and public bid opening	With 3 Quotations	With 3 Quotations	With Approval of CS *	With HOD Supervision *	Repairs to Motor Vehicles & Equipments
1	BM/PC Board of Ministers Approved Procurement Committee	(200 M-600M)						
2	CSPC - Major Chief Secretary Procurement Committee - Major	<200M	<12 M	<8 M				
3	CSPC - Minor Chief Secretary Procurement Committee - Minor	<10 M	<5 M	<0.5 M	<0.25 M	<0.1 M	<50,000/=	>0.2 M (CS Approval)
4	PMPC - Major Provincial Ministry Procurement Committee - Major	<20 M	<5 M	<0.5 M				
5	PMPC - Minor Provincial Ministry Procurement Committee - Minor	<2.5 M	<2 M	<0.5 M	<0.25 M	<0.1 M	<25,000/=	<0.2 M
6	DPC-Major Departmental Procurement Committee- Major	<10 M	<1 M	<0.25 M				<0.1 M
7	DPC-Minor Departmental Procurement Committee- Minor		<1 M	<0.25 M	<0.1 M	<0.1 M	<15,000/=	<25,000/=
8	RPC Regional Procurement Committee		<0.5 M	<0.25 M	<20,000/=	<5000/=	<5000/=	<30,000/= per event & maximum of two events per month
9	RPC/Div.PC Zonal Education & R.D.H.S	<1 M	<0.5 M		<20,000/=	<5,000/=	<5,000/=	<10,000/= per event & maximum of two events per month
10	Div.PC Divisional Procurement Committee				<15,000/=	<3,000/=	<3,000/=	<10,000/= per event & maximum of one event per month

* - Emergency Situation