

**REVIEW OF SRI LANKA GOVERNMENT  
TENDER PROCEDURE  
AND  
STANDARD CONTRACT CONDITIONS**

by

**S S T SUMANASEKARA**



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September 1997

**DEPARTMENT OF CIVIL ENGINEERING  
FACULTY OF ENGINEERING  
UNIVERSITY OF MORATUWA**

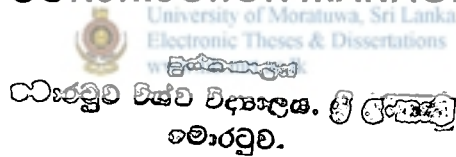


**REVIEW OF SRI LANKA GOVERNMENT TENDER PROCEDURE  
AND  
STANDARD CONTRACT CONDITIONS**

by

**SURIYARATCHIGE SAKYA THUSHARA SUMANASEKARA**

**A PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTERS OF ENGINEERING IN  
CONSTRUCTION MANAGEMENT**



Supervised by

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**S S T SUMANASEKARA**



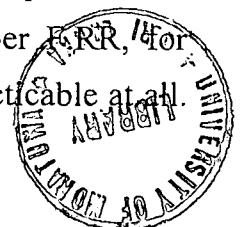
## ABSTRACT

A construction project should be administrated systematically from its inception for successful completion. When a Contractor or a Consultant is selected for a Civil Engineering Project, standard tender procedures are to be followed. When obtaining services for a project an agreement is signed by the Client and the Contractor. This agreement spells out the conditions of contract covering the contract administration requirements. There are standard contracts available so that the parties can use them effectively, easily and efficiently for better results.

In Sri Lanka, when public finance is utilised, the Financial Regulations have to be followed in formulating a project. Financial Regulations specify the authority, limits and procedures to be followed when a project is financed by government money.

In certain instances standard procedures and Financial Regulations contradict each other thus leading to ambiguity which adversely affect the successful completion of the project. Therefore reviewing of both standard procedures and Financial Regulations for the purpose of eliminating these differences is of high priority.

This research has studied the available Standard Tender Procurement Procedures and Contract Conditions, and has established relevant procedures in tendering and contract administration with due consideration to the practical applications and problems. The research also has identified the Financial Regulations available for the relevant procedures and has established and compared the consistency of Financial Regulations against the established procedures. The research revealed that in activities such as Project Strategy, Evaluation of Tenders, Extensions, Claims, etc., F.R.R are not clear or not addressed adequately. In activities such as Approving the Tender Documents, Approving Variations greater than 10% of the contract value etc., F.R.R contradict the established standard procedures. Furthermore getting prior approvals from relevant authorities as per F.R.R, for activities such as Variations and Valuations, Claims etc., are not practicable at all.



Finally recommendations were made where necessary on Financial Regulations to streamline both the Tender Procurement Procedure and Contract Administration Procedure.

## LIST OF ABBREVIATIONS

ADB	-	Asian Development Bank
BOQ	-	Bill of Quantities
F.R.	-	Financial Regulation
FIDIC	-	Federation Internationale Des Ingenieurs Conseils.
ICE	-	Institute of Civil Engineers
ICTAD	-	Institute for Construction Training and Development
MOU	-	Memorandum of Understanding
NJCC	-	National Joint Consultative Committee for Building
PASU	-	Procurement and Advisory Services Unit of Ministry of Finance
TEC	-	Technical Evaluation Committee

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