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**தேசிய கொள்வனவு ஆணைக்குழு**  
**National Procurement Commission**

My No: NPC/PP/Circulars/57

06.06.2018

**NPC Circular No: 04**

**Secretary to the President**

**Secretary to the Prime Minister**

**Secretary to the Treasury**

**Secretaries to Ministries**

**Heads of Departments and Chairpersons of State Owned Enterprises**

**Authenticating the Guarantees Produced by Bidders in Government Procurements**

It has been noted that forged Bank Guarantees have been produced to Government Institutions by some Bidders, when participating in public procurements, to fulfill the requirement of bidding conditions. Such Bank Guarantees have been submitted as Bid Securities and Performance Securities. Hence, the Central Bank of Sri Lanka has emphasized the requirement of taking appropriate action to avoid occurrence of such incidents in future and has intimated the National Procurement Commission the necessity of verifying the authenticity of such documents from the respective commercial banks/ issuing agencies during bid evaluation.

2. Submission of Bid Securities is a mandatory requirement of the bidding process, and is an essential factor to determine the eligibility of such bids for detailed evaluation and subsequently consider for contract award. Hence, if such forged Bid Securities are accepted with no proper verification, it will materially affect the other bidders, as they are losing the level playing field in the bidding process due to falsified documents while the employer will lose due compensation on account of any default on the part of the bidder.
3. Similarly, Performance Securities are required, to recover the losses incurred by the employer due to poor performance of the contractor, who is unable to perform in accordance with the contractual agreement. Therefore, such guarantees produced by the selected bidders in the form of Performance Securities need to be enforceable to recover any losses. If the Bid Securities/ Performance Securities are forged/inexecutable, procuring entity has to bear probable losses due to submission of invalid bids/poor performance of contractors.
4. Therefore, you are kindly requested to take appropriate action to verify the authenticity and encashability of Bid Security/Performance Security documents with the authorized officer/s of the respective commercial banks/issuing agencies during the evaluation process/prior to signing of the contract respectively, as it is of utmost importance to maintain fairness and equal opportunity in the bidding process and to avoid any loss that may occur to the procuring entity.

  
**S.D.H de Silva**

**Acting Secretary General**

**National Procurement Commission**

කොළඹ 02, කාමර 2/211, බන්දරානායක ජාත්‍යන්තර අනුස්මරණ සම්මන්ත්‍රණ ශාලාව, කොළඹ 07.

☎ : 011 267 4128, 011 269 1131-34 දුරකථන - සභාපති: 161, මහ ලේකම්: 163, අතිරේක මහ ලේකම්: 181

கட்டிட இல 02, அறை 2/211, பண்டாரநாயக்க சர்வதேச மாநாட்டு மண்டபம், கொழும்பு- 07.

☎ : 011 267 4128, 011 2691131- 34 நீடிப்பு - தலைவர்: 161, செயலாளர் நாயகம்: 163, மேலதிக செயலாளர் நாயகம்: 181

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