

## **Instruction Set for Obtaining CGF Facilities through NCASL**

### **1. Introduction**

After considerable efforts and the direct intervention of our Honorary Chairman, members of the National Construction Association of Sri Lanka (NCASL) are now able to obtain Construction Guarantee Fund (CGF) facilities without the requirement of maintaining a security deposit. CGF facilities will be issued subject to the recommendation of NCASL and the submission of the prescribed applications and required supporting documents.

Applicable facilities include:

- Bid Securities
- Performance Guarantees
- Advance Payment Guarantees
- Retention Guarantees

### **2. Instructions to Applicant Members / Contractors**

#### **2.1 Eligibility Requirements**

Applicants shall ensure the following at the time of application and throughout the validity period:

- Valid Construction Industry Development Authority (CIDA) registration
- Valid Registration with Construction Guarantee Fund (CGF)
- Good standing membership of NCASL for **minimum one (1) year**
- No default history with CGF or any reputed institution

#### **2.2 Initial Registration for CGF Facilities**

Applicants shall submit the Contractor Profile & Registration Form [*Form GFA-101*] with requested documents (certified as true copy) therein through the relevant NCASL Branch together with recommendation of Branch Chairman and Branch Secretary [*Form GFA-102*].

If the applicant has sent a registration application to CGF within last six (06) months, applicant can send that application set with all documents instead of [*Form GFA-101*] above mentioned.

#### **2.3 Facility Application Submission**

For each requested facility, submit:

- Completed prescribed CGF application form
- Indemnity
- Checklist
- All requested documents in the relevant application form (copies shall be certified as true copies of the originals as prescribed in checklist)

Applications for the following facilities:

- Performance Guarantees
- Advance Payment Guarantees
- Retention Guarantees

shall be submitted together with the recommendation of the relevant NCASL Branch via *Form GFA-102*.

### **Submission of Scanned Documents**

A complete scanned application, together with all required supporting documents certified as true copies, shall be emailed to the following officers, with a copy to the relevant NCASL Branch email address:

- **Executive Officer**                      **[ncasl.eo@gmail.com](mailto:ncasl.eo@gmail.com)**
- **Coordinating Officer**                **[ncasl.cord@gmail.com](mailto:ncasl.cord@gmail.com)**

### **Submission of Original Documents**

Once either of the above officers has confirmed that the application is complete and correctly prepared, the applicant shall forward the original document set at the earliest opportunity to:

**Executive Officer,  
National Construction Association of Sri Lanka,  
350A, "Idikireem Medura",  
Pannipitiya Road,  
Pelawatta,  
Battaramulla**

### **Processing of Applications**

Upon receipt of a correctly completed, signed, stamped, and scanned application together with all required supporting documents, the application will be forwarded with the recommendation of hony. Chairman to the Construction Guarantee Fund (CGF) for further processing.

Applicants are kindly advised that it is their responsibility to ensure that all applications are accurately completed and accompanied by the required supporting documents. Applications that are incomplete, inaccurate, unsigned, unstamped, or lacking the required documentation will not be forwarded to the CGF until all deficiencies have been rectified.

## **2.1 Documents to be Submitted Upon Approval**

Once informed eligible for the facility applied, applicant shall immediately submit followings to NCASL:

- Cheque in favour of CGF equal to guarantee value (valid 6 months and should replace in each six months until the validity of the Facility remains)
- Signed Legal Declaration [*Form GFA-103*]
- Consent Letter permitting disciplinary action including suspension/cancellation of CIDA registration in case of default [*Form GFA-104*]

## **2.2 Payment Responsibilities**

Once informed applicants shall promptly settle CGF levies as mentioned below and forward the receipt / bank slip to NCASL. (Delays in payment may delay issuance of the facility)

- Bid Security : **1%** of the value of Bid Security
- Performance security : **1.5%** of the value of Performance Security
- Advance Payment / Retention Money Guarantee (for contracts of sum more than Rs. 100 million) : **1.5%** of the value of Guarantee
- Advance Payment / Retention Money Guarantee (for contracts of sum less than Rs. 100 million) : **1.75%** of the value of Guarantee

## **2.3 During Project Execution**

Applicants shall:

- Submit monthly IPCs through NCASL
- Ensure project payments are routed to nominated accounts
- Cooperate with CGF finance controls
- Maintain satisfactory progress and conduct
- Immediately inform issues affecting performance

## **3. Instructions to NCASL Branch Officials / Staff**

### **3.1 Receipt of Applications**

Upon receiving applications, Branch officials shall:

- Check completeness of forms / applications
- Verify attached documents
- Ensure signatures of authorized persons
- Maintain branch records

### **3.2 Preliminary Evaluation**

Branch Chairman / Secretary shall assess:

- Past performance of contractor
- General reputation and conduct
- Capacity to undertake project
- Availability of resources
- Existing workload / works in hand
- Specialty matching with project type
- Ability to complete within time

### **3.3 Risk Checks**

Branch shall carefully review whether:

- Applicant has defaulted elsewhere
- Bid price is abnormally low (e.g. 10% below Engineer's Estimate)
- Applicant is overcommitted with multiple jobs
- Project is outside practical operational capacity

### **3.4 Recommendation**

Where satisfied, Branch Chairman and Secretary shall recommend and forward promptly to NCASL Secretariat.

Branch shall avoid unnecessary delays.

### **3.5 Monitoring After Issuance**

Branches shall:

- Follow project progress
- Obtain monthly IPC updates
- Intervene early where disputes arise
- Inform Secretariat of risks immediately

## **4. Instructions to NCASL Secretariat Staff**

### **4.1 Administrative Review**

Secretariat shall:

- Recheck completeness of application and attachments
- Confirm branch recommendation
- Verify membership validity
- Confirm eligibility compliance
- Make sure the applicant does not obtain more than 3 facilities in same time

### **4.2 Forwarding to CGF**

All eligible applications shall be forwarded promptly with recommendation.

### **4.3 Communication Role**

Secretariat shall:

- Inform members of levies/payments requested by CGF
- Collect payment evidence
- Submit originals to CGF
- Collect issued guarantees
- Hand over guarantees to members without delay

### **4.4 Extensions / Renewals**

All extension requests shall also be routed through NCASL Secretariat.

## **5. Role of CGF**

- Maintain a simple and efficient procedure
- Evaluate applications fairly
- Request clarifications through NCASL
- Issue facilities promptly after compliance
- Control project finance where agreed
- Notify reasons for rejection where applicable

## **6. Indicative Processing Time**

### **Bid Securities**

- Initial review after complete submission – within minimum 8 working hours
- After payment confirmation – issue within minimum 4 working hours

### **Performance / Advance / Retention Guarantees**

- Initial review – within minimum 20 working hours
- After payment confirmation – issue within minimum 4 working hours

## **7. Grounds for Rejection / Non-Recommendation**

Applications may be rejected, deferred, or not recommended on any of the following grounds:

- Incomplete documentation
- Invalid memberships / registrations or membership period of less than one (1) year
- Prior defaults
- False information submitted
- Excessive workload / inadequate capacity
- Bid price substantially unrealistic
- Unsatisfactory conduct history
- Where the applicant already holds three (3) active recommended facilities (obtained under this arrangement) at the same time

## **8. Action in Event of Risk / Warning**

Where Employer issues warning:

### **CGF shall:**

- Examine merit of complaint

### **NCASL shall:**

- Intervene where complaint is unjustified
- Assist rectification

If unresolved:

- Security cheque may be deposited by CGF
- Returned cheques may result in legal action

## **9. Important Guidance to Members**

- All submissions, correspondence, and communications shall be routed through NCASL.
- Applicants shall consider following hours when making submissions, forwarding corrections, or attending to related matters.
  - NCASL application processing hours: from 8.30 a.m. to 5.00 p.m. on weekdays except public & mercantile holidays
  - CGF application processing hours are from 9.30 a.m. to 3.30 p.m. on weekdays except on government holidays

- Applicants are strongly advised to complete the Initial Registration process referred to in Section 2.2 in advance, in order to obtain faster service whenever a facility is required.
- For CGF Facility Applications, applicants are required to submit all requested documents in the prescribed order together with scanned copies, in accordance with the relevant application requirements. In the event that the submitted application or supporting documents contain discrepancies, omissions, or incorrect information requiring additional follow-up and corrective work by NCASL to obtain properly completed applications and documents, an administrative charge equivalent to 0.5% of the relevant guarantee value will be levied by NCASL.
- Applications shall be submitted well in advance, preferably at least one (1) week prior to the required date of the facility, as NCASL must first review the application, verify documents, and ensure compliance before forwarding to CGF.
- Applicant records and profile information shall be kept continuously updated with NCASL.
- Applicants shall maintain tax, statutory, and financial compliance at all times.
- Applicants shall preserve their reputation and good standing within the construction industry.
- Applicants shall avoid unrealistic pricing, and overcommitment beyond their available capacity.
- Where the facility obtained is a Bid Bond / Bid Security, the applicant shall submit the tender result immediately upon receipt to CGF through NCASL.
- NCASL should generally avoid recommending more than **three (3) active facilities at one time** for one contractor unless justified.
- Please carefully fill the amounts and required durations of applying guarantees considering type of Conditions of Contract (SBD/01,02,03,04) and the Contract.
- Where the Facility Application is for a Bid Security/Bid Bond, contractors are expected to make applications only where there is a genuine intention to obtain the facility through the NCASL-CGF arrangement. Applications should not be submitted and subsequently withdrawn at the final stage after substantial processing has been completed. Such withdrawals result in unnecessary expenditure of time and effort by both NCASL and CGF staff. Repeated occurrences of this nature may be taken into consideration when evaluating future applications and recommendations under this arrangement.

## **10. Inquiries**

- NCASL Secretariat:
  - Eng. Poornika Dissanayake (Executive Officer) - 0716855075
  - Ms. Dasuni Sehari (Coordinating Officer) - 0114541743