

# **SUSTAINABLE PROCUREMENT THROUGH BIDDING PROCESS AND EFFECTIVE NEGOTIATION**

Dissertation submitted in partial fulfillment of the requirements for the Degree of  
Masters in Procurement and Supply Management

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September 2018

## **Acknowledgement**

Firstly, I would like to express my sincere gratitude to my supervisor Engr. Mir Mehbubur Rahman, MCIPS, FIEB for his continuous support to make my research fruitful. His guidance, patience, motivation, and immense knowledge helped me in all the time for the research and writing the paper.

I also would like to give thanks to all of my friends and colleagues who gave me all kind of information about the issues and helped me to write the paper.

Beside my advisor and colleague, I also would like to express my gratitude to the official of different organizations who helped me to make the research fruitful. Without their helping hand, it was totally impossible to make the survey fruitful.

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## **Executive Summary**

Sustainable procurement practices integrate requirements, specifications and criteria that are compatible and in favor of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs.

Vital step in the development of sustainable procurement policies and plans is the establishment of a cross departmental working group. This group will contribute to the developing and implementing the sustainable procurement policy and action plan. The size of the group will depend on human resource, structure, expert and resource available in the organization. The group should include mix departmental expert who will ensure the plans for procuring the product. If a large number of activities and analysis done by the mix departmental experts then only the plan, strategy and implementation will be effective. Procurement expert, facility managers, environment expert, legal expert, financial expert, IT expert, auditors, product specification expert and other commercial officer will be included in the group.

Bidding document is required to be submitted to invite bid from the supplier. Bidding document is the most important element for ensuring sustainable procurement as well as negotiation is a very important part in procurement process. By this way buyer can reduce their overall procurement cost.

Most of the organization of first world countries already ensured sustainable issues in bidding document and effective negotiation but in our country, we cannot ensure sustainable issues. PPR allows STD and negotiation. Moreover, most of the organizations have their own procurement guidelines and their guidelines allow preparing bidding document and making negotiation. Why we cannot ensure sustainable issues will be investigated in this study.

Mixed methods are deemed appropriate for the study. Both primary and secondary data have been collected. Primary data have been collected from some government and non-government organizations through questionnaire and secondary data have been collected through review of website, books and case study. Since high level officials remain busy and they may not want to disclose company's information and operational level are not aware about the company's policies, mid-level officials have been chosen as respondents. A research questionnaire has been prepared and sent to the officials of selected organization to get the information.

Most of the companies do not know about sustainable issues; therefore, expert on this area should be hired or training secession may be arranged by hiring expert. As sustainable issues are not included in the purchase policy therefore, sustainability criteria should be embedded in the procurement policy for all organizations in Bangladesh. At the time inviting quotation/tender, sustainability criteria should be included. Government should formulate rules and regulations regarding sustainable issues that should be obeyed by all organizations in Bangladesh.

Finally, there is still huge scope to work on sustainable procurement. Most of the government and non-government organizations in Bangladesh are not aware about sustainable procurement where most of the first world countries have implemented the issues to create a better world. More analysis is required to implement the issues in Bangladesh and how organization will be benefited by sustainable procurement.



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# Chapter – 1

## Introduction

### 1.1 Sustainable procurement

Sustainable procurement practices integrate requirements, specifications and criteria that are compatible and in favor of the protection of the environment, of social progress and in support of economic development (Figure 1.1), namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs. Through the significant purchasing power, government bodies and the broader public and private sectors have an opportunity to leverage markets to produce more sustainable goods and services and thus to contribute to better resource efficiency and a more sustainable economy.

**Figure 1.1:** Sustainability



Source: <https://farmhopping.com/blog/the-15-biggest-lies-about-sustainability>

Sustainable procurement considers the analysis of environmental issues, social effects and financial issues of products, maintenance, disposal of products and services. Though it is true that purchasing products through sustainable procurement need larger initial capital investment but the products may last longer and need few repairs, use less energy and require lower disposal cost. Many organization are currently moving towards purchasing products through sustainable procurement that are more environmentally, socially and economically beneficial. In addition, before purchasing the product it is also required to forecast following things:

1. Is the purchasing truly able to meet the actual need?
2. Is the product actually necessary or is it possible to meet our need by another way?
3. Can we reduce the amount of the product we need?
4. Is it possible to borrow the item from somewhere else, particularly within the organization?
5. How long will it last?
6. Finally, how can it be disposed and how much cost will it take for disposal?

Environmental issues are often seen as the main focus of sustainability but it is important to consider social issues as well. Sustainability means all people must have the opportunity to live happily, healthy lives. Protecting the environment is often the most important issue for sustainability. Following issues should be considered while selecting supplier:

1. Do the manufacturers use renewable resources and are they taking necessary action for minimizing the use of non-renewable resources?

2. Are they using renewable energy source such as solar or they are using non-renewable energy source and not trying to reduce energy consumption?
3. Are they recycling their waste or not?
4. What is the disposal policy of the company?
5. Is the organization fully committed to sustainability or not?
6. Are they holding third party certification for their organization or their product?
7. Are they following international/ local law of labor?
8. Is the company financially solvent?
9. What are the source of raw material of the organization?

Source: Author

## **1.2 Main concepts toward sustainability**

Sustainable development meets the need of the present without compromising the ability of future generations to meet their needs. Sustainable development has three pillars:

1. Economic factors which include the costs of products and services over their entire life cycle, acquisition, maintenance, operations and end-of-life management costs in line with good financial management:
  - a. Efficiency
  - b. Economic development
  - c. Barriers to trade
  - d. Open competition
  - e. Fair treatment
  - f. Non discrimination



### **1.3 The Sustainable Procurement Management Cycle**

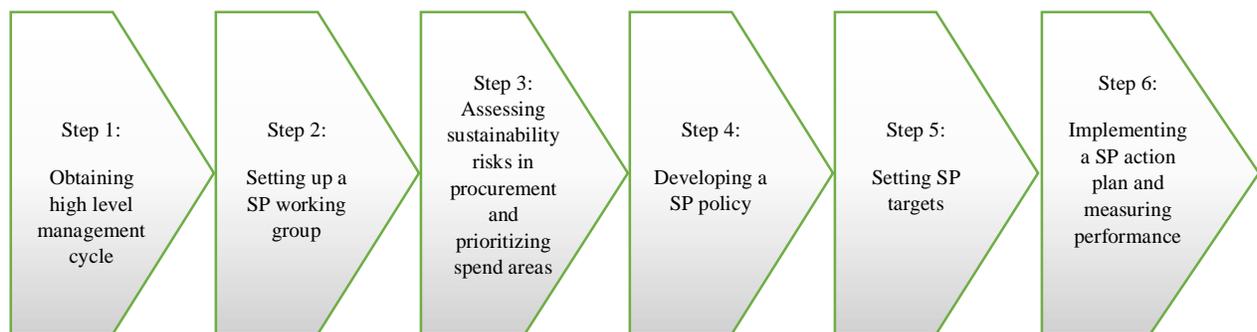
Through the following steps, an organization can introduce sustainable procurement:

**Step 1:** Innovative and well prepared sustainable procurement actions and other tasks related to the sustainable procurement often the result of work of motivated requisitioners and procurers who understand the potential of their work. However, only a high level commitment by top management and a supporting policy and implementation framework can incorporate sustainability in the procurement function. This has to be ensured that all requisitioners and procurers understand the importance of sustainable requirements and implementation in an appropriate manner. It may be mentioned that only high level management's commitment may ensure the sustainable procurement for their organization.

**Step 2:** A vital step in the development of sustainable procurement policies and plans is the establishment of a cross departmental working group. This group will contribute to the developing and implementing the sustainable procurement policy and action plan. The size of the group will depend on human resource, structure, expert and resource available in the organization. The group should include mix departmental experts who will ensure the plans for procuring the product. If a large number of activities and analysis are done by the mix departmental experts, then only the plan, strategy and implementation will be effective. Procurement expert, facility managers, environment expert, legal expert, financial expert, IT expert, auditors, product specification expert and other commercial officer will be included in the group.

**Step 3:** This step will identify the key sustainability opportunities and risks. It is very much important for the experts who are to find out the opportunities, benefits and risks. Pilot activities will be very much beneficial for finding out the risks. It is also essential not to focus solely on high spending items. Some low cost items which may indeed be associated with significant sustainability risk. There are so many lower cost items that entail very high environmental and social risks. The level of expenditure should be considered.

**Figure 1.2:** The Sustainable Procurement Management Cycle



**Source:** UNEP et al. 2011

**Step 4:** Organization should have a formal policy for sustainable procurement. In this case, senior management should have proper support for sustainable procurement. Without senior management's backing, it is very difficult to implement sustainable procurement. Social aspect,

environmental aspect, economic aspect, and labor issues should be included within the sustainable procurement policy.

**Step 5:** Objective should be set for sustainable procurement by the higher management objective may be to protect the environment for the future and obtain the best product for the organization through sustainable procurement.

**Step 6:** Preparing blue print or action plan for sustainable procurement that will provide a clear concept for achieving the target. Action plan for sustainable procurement may be:

- a. Best value for money
- b. Fairness, honesty, integrity and transparency
- c. Effective international competition.

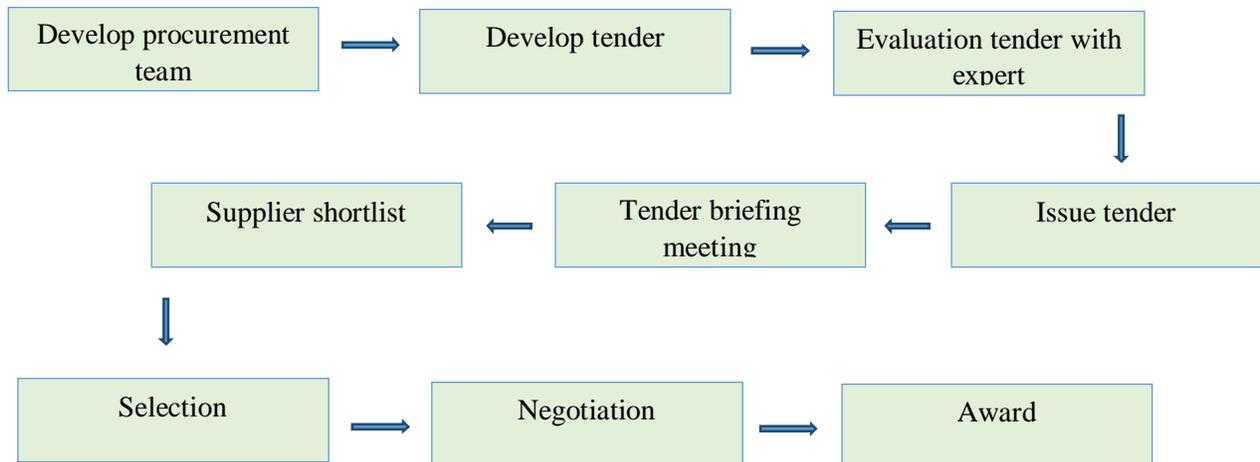
## **1.4 Tools of sustainable procurement**

Bidding document and negotiation are the strongest tools for ensuring sustainable procurement in an organization.

### **1.4.1 Bidding Process**

Bidding document is required to be submitted to invite bid from the supplier. Bidding document is the most important element for ensuring sustainable procurement. Figure 1.3 illustrate the bidding process.

**Figure 1.3:** Bidding process



**Source:** Author, based on PPR

Most of the organizations have their own tender process and government have their stander tender document. But in the tender evaluation stage sustainable issues are not analyzed and incorporated. Most of the world recognized organization ensures their sustainable issues by biding document and negotiation. But in Bangladesh sustainable issues are not ensured by this most strong tool. This study will find out why we cannot ensure sustainable issues by this tool.

## 1.4.2 Negotiation

Characteristics of negotiation process are as follow:

1. There are some pre-determined goals for both the parties which they will try to achieve in the negotiation meeting.
2. Buyer should have previous knowledge about the product and price to get a better outcome. If they do not have any previous knowledge about the product then they can hire expert to get a better outcome. Besides, supplier should have previous knowledge about the buyer and his organization.
3. Both of the parties will try to hide their confidential issue in the negotiation meeting.
4. Both of the parties believe that the outcome of negotiation will be satisfactory.
5. There will be some expectation for both of the parties from the negotiation meeting.
6. Both the parties believe that the outcome of the negotiation will be satisfactory.
7. Both of the parties have to compromise some issue to fulfill the negotiation meeting.

Negotiation is a very important part in procurement process. By this way buyer can reduce their overall procurement cost. Following way of negotiation can take into account which can be very much effective for reducing overall procurement cost:

1. First of all, buyer can negotiate with the manufacturer because it is the main place where buyer can directly discuss with the supplier and negotiate for reducing the price. If it is not possible to reduce the price then buyer can negotiate for the service, warranty, training, after sales service, etc. It is not only the point to reduce the price but buyer can extend the warranty period from 1 year to 2 year or extend the service warranty for next 5

year etc. by negotiation. It can be negotiated that if any spare parts are required after the warranty period then manufacturer will give it not at the market price but with reduced price as far as possible.

2. Second, it can be negotiated with the clearing & forwarding (C&F) agent because it is the second place from where the buyer can get some advantages. C&F agent may have some unique knowledge about the C&F process, they may have the access to the resource, they may have adequate knowledge about the documentation process of C&F. Therefore, buyer can negotiate with the clearing & forwarding agent to get a better outcome.
3. Third, it can be negotiate with the local agent of supplier of the product. By this stage, buyer can get minimum or maximum benefit.
4. Fourth, buyer can negotiate with the transport agent. It is also important to negotiate with the transport agent to reduce the transport cost. By this way buyer can reduce their overall procurement cost.
5. Fifth, it can be negotiated with the store owner for getting a better outcome. If possible, after purchasing, the raw material can be sent directly to the factory to produce the final product. Alternatively, buyer can use supplier store to keep their product for a certain period of time. By this way, buyer can reduce their overall procurement cost.

6. Finally, negotiation is not only for price reduction. Buyer can negotiate with the supplier for making the product with eco-friendly raw material. Because of this reason, the product price may rise but the product will not be harmful for environment and as well as for human and the durability of the product will be increased.

**Source:** Author

## Chapter – 2

### A case study on sustainable waste transport in United State of America

**Figure 2.1:** Previous waste transport system in USA



**Source:** Google image

In 2007, Metro [Metro: the Metropolitan regional government of Portland, so called metro is an elected regional government of Oregon that serves more than 1.5 million residents in Clackamas, Multnomah, Washington and 25 cities in the Portland region. It is a public entity of the state of Oregon which is located on the Pacific coast of United State] decided to secure a long term contract to haul solid waste from its transfer stations to disposal site that is 70 mile away from the main city. Starting in 1989, Metro contracted a trucking firm to provide the service but over years, the contract became hard to manage because of corporate restructuring and the trucking firm was no longer locally owned. Moreover, the firm faced environmental issues due to the lack

of investment in maintenance and replacement of trucks. Metro was able to secure quality services through a financially solid contractor while at the same time working towards the protection of the environment and providing local economic and contract negotiation. Each stage of procurement cycle now takes into account sustainable development.

Metro basically facing the following difficulties:

- *Restructuration of the city*
- *Trucking firm are not locally owned*
- *Environmental issue*
- *Lack of investment in maintenance*
- *Replacement of old truck*

Pre-procurement and market engagement: the procurement process started two years before the end of the ongoing contract, synchronizing the process with overall institutional needs. Metro began a dialogue with the local community by connection people, sharing the decision making process to discuss the social aspects of waste transport. They organized public meetings with community groups, neighborhood associations and environmental advocates in order to determine what was important in the selection process of a new contractor. They developed a draft RFP and shared it with the transport industry for contributions.

Sustainable development in the RFP: the final RFP document included the inputs from all stakeholders are almost set. The challenge for Metro was to balance the RFP requirement and

maintain a fair and open process. The RFP paid particular attention to environmental impacts, local jobs and economic impact in the region.

**Selection criteria:**

1. Adequate expert driver (minimum 1 year experience) for driving well-equipped truck.
2. Waste transport truck should be covered van.
3. Should have engineer for maintenance the truck.
4. Trucks should be apparently new so that greenhouse gas emission will be low.
5. All trucks will be equipped with automatic idle shutdowns system after 5 minutes to conserve fuel. This system has an impact on fuel savings and greenhouse gases emissions.
6. Company should have adequate liquid money for repair and maintenance the trucks.
7. Adequate liquid money for paying the staff's payment.

**Selection and contract negotiation:**

Total eight offers were submitted by different suppliers and proposed various modes of transportation although trucking was predominant. In order to assess the eight proposals, metro engaged external expertise in the selection process and hired a consulting engineer specialized in waste industry. Based on the criteria described above, each proposal was evaluated and scored.

**Award criteria:**

List of award criteria is given in Table 2.1.

**Table 2.1: Award criteria**

Sl	Criteria	Points (max 100)	Details
1	Cost	45	Comparatively low cost provider
2	Operational consideration	25	<ol style="list-style-type: none"><li>1. Sustainable practice</li><li>2. Able to change the technology</li><li>3. Financially solvent</li></ol>
3	Environmental impacts	20	<ol style="list-style-type: none"><li>1. NOX and SOX emissions</li><li>2. Total emission of CO<sub>2</sub> and other greenhouse gasses.</li><li>3. Environment pollution</li></ol>
4	Socioeconomic impact	10	<ol style="list-style-type: none"><li>1. Noise and traffic effects</li><li>2. Supporting economic development</li><li>3. Creating job opportunity.</li><li>4. Related job opportunity.</li><li>5. Emerging small business.</li></ol>

**Figure 2.2:** Present waste transport system in USA



**Source:** Google image

**Results and impacts from the case study:**

1. Environmental result and impacts –In 2010, Walsh Trucking, the selected firm, transported 12,787 loads (1 load is equivalent to one truck) of waste. They travelled 3.9 million miles per year to haul solid waste from Metro transfer station to the Columbia compared to the 5.7 million with the previous contractor. Therefore, reduced greenhouse gasses by 2,800 teq CO<sub>2</sub> which is 14% less from the previous contractor. All trucks are equipped with automatic idle shutdowns after 5 minutes to conserve fuel. This system has an impact on fuel savings and greenhouse gasses emissions.
2. Socioeconomic results and impacts – Total 39 driver were recruited from the region. Earned \$ 24,92,835.00 in 2010 and this Fund was redistributed to the cities and different social fund and public project for the development of the society. Some small businesses were established.

**Source:** United Nations Environment Programme, 2012

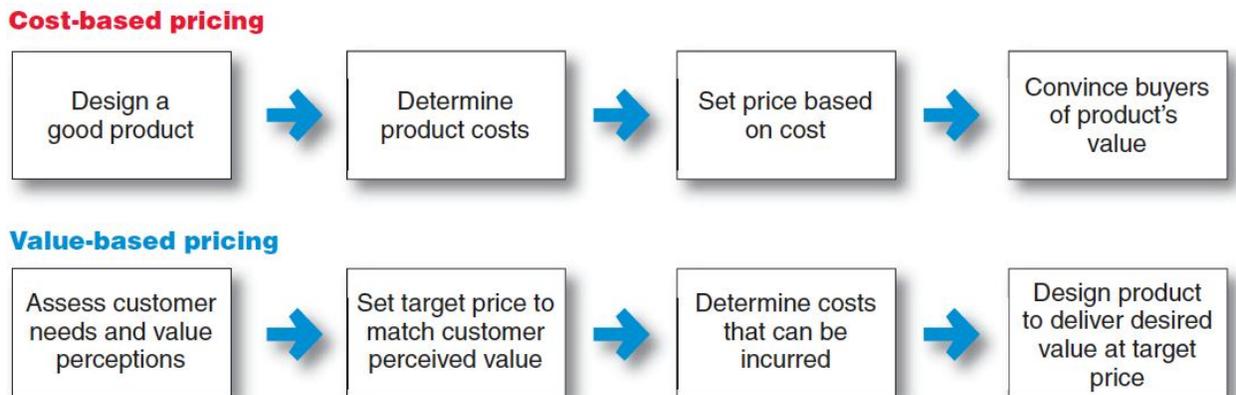
# Chapter – 3

## Objectives, methodology, analytical framework and limitations

### 3.1 Objectives of the study

Presently, most of the organizations set their mind for low price rather than value based purchase. Figure 3.1 shows the processes involved in value based pricing and cost based pricing.

**Figure 3.1:** Value based pricing VS cost based pricing



**Source:** Google image

In cost based purchase, buyer firstly looks for the product cost rather than actual design or need of the user. If low cost is found then purchase will be done without any concern of the users. If price is found higher, then buyer tries to switch to different brand or probably non brand product. In this case, buyer tries to convince the supplier to make it appropriate for the users but supplier basically don't provide any extra facilities to the buyer, which involves extra costs. In cost based

pricing, price adjustment issue clause is not incorporated in the bidding process; as a result, if price rises, supplier does not supply the product or requests to cancel the purchase order. In this situation, full procurement process fails.

On the other hand, in case of value based purchase buyer does not look at price of the product. Firstly, buyer takes concern of the user, actual need of the product, purpose of the product then it is discussed with the supplier/ manufacturer about the life time of the product, disposal system of the product, is it customizable if required in future based on the requirement, spare parts of the product, repairing procedure of the product and many more to get a better outcome from the product. Price comes in the third phase in value based pricing. There is no sustainable issue in cost based pricing but in the value based price sustainable issue is there.

Most of the organizations leave “Request for Quotation” to the vendors only for providing price of the product. Other issues such as sustainable issue, socioeconomic issue, price adjustment issue, repairing and servicing issue, disposal system of the product are never incorporated in the bidding process.

This study looks into the following issues.

1. Opportunity to prepare the bidding document by incorporating the sustainable issues and other aspects to get a better outcome from the product
2. Opportunity to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement
3. Opportunity to prepare proper guidelines for sustainable procurement

4. Opportunity to encourage vendor about sustainability
5. Opportunity to manage risk by sustainable procurement
6. Opportunity to find out best way for effective negotiation

### **3.2 Research Methodology**

Research is a systematic and objective identification, collection, analysis and use of information for the purpose of improving decision making related for identification and solution of the problems. Research design is a framework or blueprint for conducting the research. A research design involves identification, of problem formulation of research questions and objectives, methodology detailing data type and collection procedures, data analysis, and research report writing. Qualitative research provides insights and understanding of the problem, while quantitative research seeks to quantify the data and typically analyze the data through some form of statistical tools.

Mixed methods comprising of qualitative and quantitative data are considered appropriate for the study. Both primary and secondary data have been collected; primary data were collected from selected government, non-government, University and NGO organizations through questionnaire and secondary data were collected through review of websites, books and case studies. Since high level officials remain very busy and may not want to disclose company's information and operational level officials may not be aware about the company's policies, mid-level officials were interviewed to collect information. A questionnaire with 24 questions was prepared and sent to the officials of selected organizations. Questionnaire is basically a structured technique

for data collection from the respondents that consists of a series of questions. The collected data were analyzed in light of research objectives.

A number of government and non-government organizations including NGOs and universities were selected randomly to collect information about the sustainable procurement. Before entering into the main research, preliminary research was done to understand the variables and their effect on sustainability.

### **3.3 Theoretical Framework**

As per United Nations Procurement Manual, following four general principles should be followed when exercising the procurement function in the United Nations:

1. Best value for money rather low cost,
2. Fairness, integrity and transparency,
3. Effective international competition and
4. Interest of the UN.

Sustainable procurement in United Nations procurement process as follows:

1. Clauses that prohibit child labor in sale or manufacture of product, engaging in sexual exploitation and unethical behavior.
2. Clauses that request suppliers to respect their national rules and legislation.
3. Make sure that they are not complicit in human rights abuses.

4. Businesses should support and respect the protection of internationally proclaimed human rights.
5. Encourage the development and diffusion of environmentally friendly technologies.
6. Businesses should work against corruption in all its forms, including extortion and bribery

Currently, Standard Procurement Document (SPDs) or Standard Tender Document (STDs) is being widely used by the government and non-government organizations for completing the procurement process.

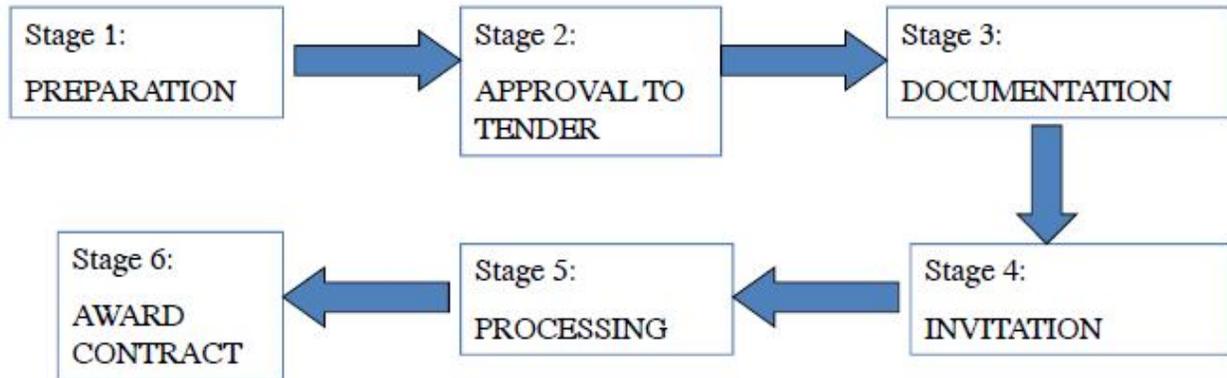
STDs or SPDs includes:

1. Request for Proposal (RFP): A RFP is an early stage in a procurement process issuing for invitation from suppliers often through a bid to submit a proposal on a specific commodity or service.
2. Request for Information (RFI): A RFI is a proposal issuing to the potential supplier or a service provider to determine what products and services are available in the market to meet buyer's need and to know the capability of the supplier to supply the product.
3. Request for Quotation (RFQ): A RFQ is the offer for supplying the product with required specification and best price from the supplier. In this case, the specifications of the product or service are already known and price is the main or only factor.
4. Request for Bid (RFB): RFB is a selective method which means to submit an offer with full technical specification and price.

## Tender

A tender means an invitation to trade under some terms and condition. Figure 3.2 presents various stages of a typical tender.

**Figure 3.2:** Tender stages



Stage 1: Preparation – actual need, drawing, technical specification etc.

Stage 2: Approval to tender – receiving decision on type of tender to be used such as open tender or selective tender

Stage 3: Documentation – preparation of all kinds of documents to release the tender notice

Stage 4: Invitation – release or publish tender notice to submit the offer. It can be published through newspaper or internet.

Stage 5: Processing – after receiving offer from the supplier, need to check all types of documents required by the buyer.

Stage 6: Award Contract – issue Work Order after evaluation of technical specification, price and making negotiation with the supplier.

Most of the organizations of first world countries already ensured their sustainable issues in bidding documents and effective negotiation. However, the third world countries such as Bangladesh lag behind incorporating sustainable issues in procurement. The Public Procurement Rules in Bangladesh incorporate STD and negotiation.

### 3.3.1 Variables for sustainability

A number of variables may be used for a sustainable procurement as follows:

1. **Quality of the product:** Quality must be ensured before purchasing the product. Quality of the product must not be compromised with the price. A Likert scale or quality measure chart can be used for measuring the product. Table 3.1 presents a typical product quality measure chart for purchasing of printer.

**Table 3.1: Measuring product quality**

Sl	Specification required by buyer	Specification offered by supplier	X company	Y company	Z company
1	Brand: XX	XX	5	4	3
2	Function: XX	XX	5	4	4
3	Resolution: XX	XX	5	3	4
4	Speed: XX	XX	4	2	3
5	Warranty: XX	XX	5	4	4
6	Price		5	4	4
		<b>Total</b>	<b>29</b>	<b>21</b>	<b>22</b>

5 = Excellent, 4 = Very good, 3 = Good, 2 = Average, 1 = Not acceptable

2. **Price of product:** In most of the cases purchaser looks for low price product. However, it should be remembered that the lowest price always should not be accepted. Lowest price

addiction may destroy the overall profit of an organization. If all the vendors offer same product, then low price should be considered; otherwise the best value product should be considered.

3. **KPI for supplier:** Key performance indicators are used to measure the performance of suppliers. KPIs must be aligned with the buyer's sustainability goals and the objectives of the sustainable procurement approach.
  
4. **Incentives for supplier:** Buyer may incorporate sustainability performance incentives for the supplier that will be tied with the KPI of supplier. This can help incentivize suppliers to meet or exceed expectations or dis-incentivize suppliers from not meeting sustainability requirements. Incentives could include: 1) long term agreement with the same supplier. 2) bonus for complying with the sustainable terms and conditions. 3) advance payment etc.
  
5. **Disposal systems:** Goods that are not usable anymore can be reprocessed either into same product or a new one. Waste can be recycled by many companies who are involved in recycling process. Therefore, after using the product it can be given to the companies who are involved in recycling process rather than throw the product at different place as waste.
  
6. **Product life cycle cost:** Before purchasing any product buyer should analyze the life cycle of the product. Product life cycle costing means analyze the long term view of a

product such as analyze the present and future value of the product., analyze purpose of the product, analyze production cost, analyze installation cost, analyze spare parts cost if required in future, analyze disposal cost of the product, etc.

7. **Evaluation of non-cost attributes:** Some methods can be used to assess non-cost sustainability factors. First is to score the proposed solution and weighted sustainability criteria. Secondly, supplier may be requested to provide methods to obtain sustainable solution. Buyer can assess bidders approach and methodology to manage sustainability opportunities and risks.
8. **External factors:** All the external factors that may affect purchase. Political, environmental, social, technological, ecological, legal, culture - all the external factors should be considered before purchasing.
9. **Environmental factors:** Before purchasing any product, its impact on environment should be analyzed. Carbon dioxide emission rate and other issues that can affect the ecological system directly. Besides, buyer can request the manufacturer to produce eco-friendly for them. Supplier can be requested to offer eco-friendly product or clause can be incorporated in the bidding document.
10. **Social factors:** Social and economic impacts should be analyzed. For example, the benefits of constructing Padma Bridge could be:
  - a) Lots of local people will get job

- b) Liquid money will be flourished all over the country, accordingly purchasing power for the people will rise and most importantly, GDP will increase.
- c) Vegetable and other goods can be shifted to the city easily.
- d) Total transportation system will be easier.
- e) CO<sub>2</sub> emission from steamer will decrease.

### **3.4 Limitations of the study**

Firstly, time was constraint. If there was more time then I may arrange more survey in this regard to get more error less report.

Secondly, personal interview could have been taken from the official of different organization to get more information about sustainable procurement.

Thirdly, Sample size was small.

Fourthly, this study entirely based on the responses of the employees. Therefore, they might have provided moderate answers instead of reality.

Finally, different scientific tools could be used to collect and analyze the data. But due to unavailability of the tools it was not possible for me to use the tools.

# Chapter – 4

## Findings

### 4.1 Company's knowledge about Sustainable Procurement

Most of the private companies or institutes do not have any idea about sustainable issues in Bangladesh. They do not have any idea on sustainable indicators such as social, economic and environmental factors. Some multinational organizations have a little bit idea about the issues but they do not apply it in Bangladesh. One of multinational companies has said that in Bangladesh there are no specific obligations to obey the issues. But, for betterment of the company they generally purchase better product at high price. In addition, Government organizations also do not apply sustainable issues even though they do not have any liquidity problem. The officials of government offices have stated that basically they do not have enough trained people to implement the issues. Only the official of one leading NGO in Bangladesh has informed that they know about sustainable procurement but most of the times they do not apply the issues due to their purchase policy, lack of enough liquidity and other things. Most of the private and multinational companies have informed that it is very difficult to find out the supplier who complies with sustainable issues in Bangladesh.

### 4.2 Best value for money VS low cost

Most of the organizations generally prefer low cost products. The official of a multinational company has mentioned that they want to buy best product with high price but their policy and

procedures do not allow always purchasing the product with high price. The official of one of the high ranked NGOs in Bangladesh has mentioned that they believe in best value for money. However, they have mentioned that generally they prefer low cost product because of their organization's purchase policy. But the official of government office directly has mentioned that they prefer lowest bidder rather than high cost product.

#### **4.3 Fairness, integrity and transparency and product quality VS price**

It revealed that all the multinational organizations, private organizations, NGOs and government organizations believe in fairness, integrity and transparency at the time of purchase. Moreover, the organizations want to purchase balanced product with quality and price. That means, not any organization wants to purchase extra ordinary quality product with high price; at the same time they do not want to purchase low quality product.

#### **4.4 Company's preference on product quality/ specification/ certification**

In this stage, most of the multinational, government, private organizations and NGOs prefer specification level of the product. An official of one of multinational organizations has mentioned that before purchasing, they look for product quality and certification from International Organization for Standardization.

#### **4.5 Company's Policy on Sustainable Procurement**

No organizations have proper sustainable procurement policy. One of multinational companies has mentioned that they are developing their sustainable policy for Bangladesh; but it is at very initial stage. As most of the organizations do not know about the issue, it is very normal that there will be no proper policy for sustainable procurement.

#### **4.6 Analyzing social aspect**

Social and labor factors include recognizing equality and diversity, observing core labor standards, ensuring fair working conditions, increasing employment and skills, developing local communities, and their physical infrastructure. It is very rare for the organizations in Bangladesh that they think about social aspects before purchasing any equipment or undertake any project. Only Local Government Engineering Department (LGED) analyzes social aspects before acquisition of any land, public property etc.

#### **4.7 Type of product Company generally considers**

In this case, all government organizations, private organizations and NGOs have no preference for eco-friendly product. The organizations generally purchase products with comparatively low price. Only one of the multinational companies tries to purchase non-toxic product. Not a single company recommend sustainable product with high price. Even not any company asked vendor to offer eco-friendly product at the time of inviting quotation or floating tender.

#### **4.8 Preference of supplier who compiles sustainable issues or not**

Both government and private organizations have mentioned that they are working with all suppliers who comply or not comply with the sustainability issues. Moreover, in Bangladesh they didn't find any supplier who complies with sustainability issues. Government should impose some rules and regulations for both suppliers and buyers to obey sustainable issues for the betterment of the country.

#### **4.9 Product disposal system**

Not any single company has any disposal system for their used products. All the companies just throw their used products to the dustbin as waste. Only one of NGOs has mentioned that they reuse their paper items and IT equipment.

#### **4.10 Negotiation and monitoring system of sustainability issues**

The surveyed organizations - both government and non-government do not have any specific criteria to monitor sustainable issues. Nonetheless, the organizations try to purchase better product with good technical specification and other technical issues by negotiating with the supplier. One of multinational companies and LGED have mentioned that sometime they hire expert at the time of negotiation.

#### **4.11 Tender publishing process**

As per PPR, tender notice should be published at least two leading newspapers. In this case, all the organizations invite offer by floating tender notice through two leading newspapers. Moreover, the organizations publish their tender notice at company's website.

#### **4.12 Barriers to introduce sustainable procurement**

All the government, private, multinational organizations and NGO were asked 'why does your company face problem to introduce sustainable procurement? All the organizations have mentioned that firstly, they do not have enough knowledge about sustainable issues. Secondly, there are no trained people in their company about sustainable procurement. Thirdly, there is lack of supplier who complies with sustainability issues.

#### **4.13 Does PPR help to purchase sustainable product**

All private organization, multinational company and NGO do not follow PPR since all the organizations have their own purchase policy. In addition, PPR do not guide any company for sustainable procurement even government organization. Therefore, all government and non-government organization have recommended incorporating sustainable issues in PPR.

#### **4.14 Child labor issue**

As per United Nation procurement process, there is a clause like ‘Prohibit child labor in sale or manufacture of product, engaging in sexual exploitation and unethical behavior’. In this stage, all government, non-government and NGO have mentioned that they strictly prohibited child labor and if any employee faces any sexual harassment by other employee then they complain about that directly to the HR Manager. Even all the organizations have incorporated the issue in their company’s code of conduct.

#### **4.15 Publish tender with sustainable criteria**

As not any organization even government and non-government has proper idea about the sustainability issues, they generally do not set any sustainable issues at the time of inviting quotation or tender. Only one of leading NGOs and LGED have mentioned that they asked vendor to offer eco-friendly products.

#### **4.16 Analyze product life cycle cost and performance measure indicator for supplier**

All government and non-government organizations analyze product life cycle cost before purchasing and all the organizations have performance measurement indicator for their supplier. Performance measurement indicators are based on product supply in time, after sale service etc. but not for sustainable issues.

#### **4.17 Willingness to pay extra money for quality product**

All government and non-government organizations are not willing to pay some extra money for high quality product. They have mentioned that they generally purchase product for a certain period of time. Therefore, none of them wants to pay some extra money for high quality product. Basically, as they do not have proper knowledge about sustainable issues they generally think that why they will pay some extra money for extra-ordinary product as they will use the product only for a certain period of time.

#### **4.18 Preparing bidding document for sustainable procurement, identifying sustainability factors and preparing guideline for sustainable procurement**

All government organization, non-government organization and NGO have mentioned that they are developing bidding documents with sustainable issues but it is at very initial stage. All of them have mentioned that they are identifying some sustainable factors which can be incorporated in the bidding documents. However, that is also in very initial stage. Due to lack of proper knowledge, enough time, fund, trained people in this area and lack of supplier who comply with sustainability issues the organizations cannot move forward. However, all of them think that government should take initiative in this regard first.

#### **4.19 Managing risk by sustainable procurement and incentive for supplier who compiles sustainable issues**

There is no specific clause for providing incentives to the supplier who complies with sustainability issues. Moreover, no government and non-government organization work for managing risks through sustainable procurement.

#### **4.20 Evaluation process for goods**

One of the multinational organizations and leading NGOs have mentioned that they evaluate the product by rating criteria. That means when they evaluate product they keep 80% for cost and the remaining 20% for technical specification, product quality, durability of the product etc. But government organization has mentioned that they mostly focus on low cost.

#### **4.21 Suggestion for sustainable procurement**

One of multinational organizations has mentioned that sustainable procurement is better than general procurement; however, due to lack of knowledge, company procedure, and trained people they are not able to apply the issue. They expect that it will be implemented in future. One of leading NGOs has mentioned that it requires comprehensive analysis and management should focus on the issue to implement sustainable procurement in NGO and private sector. All government organizations have mentioned that the issue should be incorporated in PPR & PPA and PPR 2008 should be amended for incorporating sustainable procurement.

Table 4.1 presents the findings at a glance.

**Table 4.1: Survey findings at a glance**

Q. no.	Description	DU	Asian paints	LGED	BRAC
Q-1	Acquaintance	No	A little bit	Yes	Yes
Q-2	Best Value VS Low price	No	No	Yes	Yes
Q-3	Fairness, integrity	Yes	yes	yes	Yes
Q-4	Product quality VS price	Balanced	Balanced	Balanced	Balanced
Q-5	Preference of product	Specification	Quality, spec & certification	Quality	Specification
Q-6	Sustainable policy	No	Developing	No	No
Q-7	Analyze social aspect	No	Sometimes	Yes	Sometimes
Q-8	Preference of product	Any	Non-toxic	Any	Any
Q-9	Preference of supplier who complies sustainable issues or not	Both	Both	Both	Both
Q-10	Product disposal system	As waste	Try to reuse	Developing	Reuse only paper
Q-11	Negotiation system	Price & spec	Price & spec	Hiring expert	Price & spec
Q-12	Monitoring sustainable issues	No	No	No	No
Q-13	Aligned with PPR on publishing tender notice	Yes	Yes	Yes	Yes
Q-14	Barrier on sustainable issues	Lack of supplier	Knowledge, trained people & supplier	Lack of supplier	Lack of trained people & supplier
Q-15	PPR allow to purchase sustainable product	No	No	No	No
Q-16	Any child labor	No	No	No	No
Q-17	Publish tender with sustainable criteria	Not any	Not any	Eco friendly product	Eco friendly product
Q-18	Analyze product LCC	No	Yes	Yes	Yes
Q-19	KPI for supplier	Yes	Yes	Yes	Yes
Q-20	Extra price for Q. product	No	Sometimes	No	No
Q-21	Preparing bid doc with sustainable issues	No	Developing	Developing	Developing
Q-22	Sustainable factors for bidding doc	No	Developing	Developing	Not yet
Q-23	Preparing sustainable guideline	No	Developing	No	No
Q-24	Manage risk by sustainable purchase	No	Developing	No	No
Q-25	Clause in bid doc for incentive to supplier who complies sustainable issues	No	Not in doc but sometimes provide	No	No
Q-26	Use rating criteria for product evaluation	No	Yes	No	Yes
Q-27	Any Comments	SP issues should incorporate in PPR	In future may be implemented	PPR 2008 may be amended	Need more analysis on this issues

# Chapter – 5

## Summary and Recommendations

### 5.1 Summary

In the existing bidding system buyer does not want to include any sustainability issues in the bidding process and the reasons are as follow.

1. Before the purchase buyer looks for the cheapest product, no matters whether it will sustain for long or not. That is why buyer intentionally does not include any sustainability issues in the bidding process.
2. Buyer and supplier - both of the parties have the intention that the buyer will buy low cost product that is why supplier will provide the cost. If there is no intention to buy the low cost product then the supplier definitely will offer the product from the good source.
3. Buyer and supplier - both of the parties do not have any responsibility for the society.
4. Disposal process
5. There are no government rules and regulations for sustainable procurement.
6. Buyer can not realize the future impact if they buy the cheapest product instead of value added product.
7. Higher management involvement is not adequate for sustainable procurement.
8. There are very few or no supplier exists who can fulfill the sustainability issue.
9. Involvement of illegal issue.

The reason behind why the negotiation is not fruitful

1. Both parties mainly focus on price rather than other benefits such as warranty period, maintenance, training, disposal system, social responsibility, etc.

2. Both the parties look for win – lose solution rather win – win solution. In this case one party tries to get what they want at the expense of other party.
3. One’s goal is facilitated by blocking, preventing other party’s from attaining their goals.
4. Sometimes buyers do not have adequate knowledge of the product, service and supplier; therefore, there is risk of losing too much in negotiation.
5. Adversarial negotiation is more emphasized rather than collaborative negotiation.
6. Sometimes negotiation starts with an unrealistic entry point and end up without solution.

## **5.2 Recommendations**

Sustainable procurement integrates requirements, specifications and criteria that are compatible and in favor of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs. Now a days sustainable procurement is an important issues for the developed countries. However, developing countries like Bangladesh are still not emphasizing the issue though it is very much important for a sustainable development. Following steps can be considered.

First, all government and non-government organizations should find out the sustainable indicators such as social, economic and environmental that are very much suitable for their organizations and that should be incorporated in their procurement policy.

Second, Government organization should introduce it at first. That means, government should come forward to introduce the sustainable issues. Government procurement policy should be formulated and public procurement policy should be aligned with the government sustainable policy. The issue should be incorporated in PPR and through amendment.

Third, it is very inspiring that organizations are acquiring knowledge about sustainable procurement. But due to organizational policy, lack of supplier who complies with sustainable issues they are not able to implement the issue. Therefore, government should take initiative to arrange training session on sustainable procurement. External experts can be hired for analyzing the sustainable issues in Bangladesh context and policy may be made on sustainable procurement for the organization.

Fourth, before purchasing the product organization should analyze product life cycle cost. Organization should analyze product technical specification by an expert which may serve their actual purpose. In this regard, organization should ask vendor to offer product which has internationally reputed certificate such as ISO certification, CERES certification of environmental standards and at the time of inviting tender organization should include the criteria.

Fifth, negotiation is a very important part in procurement process. Through negotiation organization can reduce their overall procurement cost. To make the negotiation fruitful buyer should have previous knowledge about the product and price to get a better outcome. If they

have not any previous knowledge about the product, they can hire expert to get a better outcome. It is highly recommended to negotiate not only for price of the product but also specification of the product to get better outcome from the product.

Sixth, most of the organizations have mentioned that they are developing their organization policy and bidding documents to incorporate sustainable issues. Therefore, organization should do it as early as possible and government may take initiative in this regard. Government may formulate the rules and regulations for sustainable procurement for all government and non-government organizations. At the time of preparing bidding documents, all sustainable criteria should be included to create a better world.

Seventh, organization may offer incentives for the supplier who will comply with sustainable issues and this criterion should be included in the bidding document so that supplier may be tempted to obey the sustainable issues.

Eighth, organization should evaluate the product by rating criteria. At present when they evaluate their product they keep 80% for cost and other 20% for technical specification, product quality, durability of the product etc. However, the organizations should focus on not only price but also product specification, quality and other aspects to get better outcome form the product.

Ninth, most of the companies do not know about sustainable issues therefore, expert on this area should be hired or training secession may be arranged. As sustainable issues are not included in the purchase policy, sustainability criteria should be embedded in the procurement policy for all organizations in Bangladesh. At the time of inviting quotation/tender, sustainability criteria should be included. Government should formulate rules and regulations regarding sustainable issues that should be obeyed by all organizations in Bangladesh.

Finally, there is still huge scope to work on sustainable procurement. Most of the government and non-government organizations in Bangladesh are not aware about sustainable procurement where most of the first world countries have implemented the issues to create a better world. More analysis is required to implement the issues in Bangladesh and how organization will be benefited by sustainable procurement.

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**Appendix – A: Questionnaire (Blank)**

# SUSTAINABILITY QUESTIONNAIRE

Company name..... Date.....

Respond name & designation (optional) .....

Respond level:      1. Management level      2. Mid-level      3. Operational level

1. Does your company know about sustainable procurement?

Yes

No

Any other comment .....

2. Does your company believe in best value for money rather than low cost?

Yes

No

Sometimes

Any other comment .....

3. Do your company believe in fairness, integrity and transparency at the time of purchase?

Yes

No

Any other comments .....

4. Which one your company generally prefer?

High quality product, price does not matter

Low price product, whatever the quality

Balanced with quality and price

5. Which level of the product your company mostly focuses on?

Product qualification level

Product specification level

Certification level

No idea about the issue

6. Does your company have any sustainable procurement policy?

Yes

No

Under development

Any other comment .....

7. Any social aspects do your company take into consideration before purchasing?

Yes

No

Sometimes

8. Which type of product your company generally consider to purchase?

We generally asked vendor to offer recyclable, reusable, non-toxic product.

We recommend sustainable products even if the price is high.

Any product

Any other comment .....

9. The suppliers your company basically working with:

Who complies sustainable issues.

Who does not comply sustainable issues.

Both.

10. What is your product disposal system?

We generally dispose the item to the dustbin as waste.

We try to recycle, reuse the product.

We are developing recycling program

Any other .....

11. How/ why negotiation meeting you generally arrange with the supplier?

Negotiation with hiring expert.

Without knowing the previous purchase price of the product

Only price negotiation

Negotiation on price, technical specification and other aspects

Any other.....

12. Does your company have any specific system to monitor sustainability issues?

Yes

No

Developing

Any other.....

13. As per PPR, tender should be published at least two leading paper and company's website. Do you company comply with the rule?

Yes

No

14. What barriers does your company face to introduce sustainable procurement?

Lack of knowledge

Lack of time

Lack of fund

Lack of trained people in your company to implement

Lack of supplier who comply sustainable issues

Any other comment .....

15. Is the PPR guide you to purchase sustainable product?

Yes

No

16. As per United Nation procurement process, there is a clause like “Prohibit Child Labor in sale or manufacture of product, engaging in Sexual exploitation and unethical behavior”.

Does your company have any child labor?

Yes

No

Any other comment .....

17. What kind of sustainable criteria your company set at the time of publishing quotation/ tender?

Offer eco-friendly product

Offer recycle product

Offer non-toxic product

Disposal system of the product

Any other criteria

18. Does your company analyze product life cycle cost?

Yes

No

Any other comment .....

19. Does your company have any performance measure indicator for supplier?

Yes

No

Developing

20. Are your company willing to pay some extra money for better quality product?

Yes

No

21. Do your company working in preparing the bidding document with incorporate the sustainable issues and other benefited aspects to get a better outcome from the product?

Yes

No

Developing

No idea about the issue

22. Do your company working to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement?

Yes

No

Developing

No idea about the issue

23. Do your company preparing any proper guidelines for sustainable procurement?

Yes

No

Developing

No idea about the issue

24. Do your company working with to manage risk by sustainable procurement?

Yes

No

Developing

No idea about the issue

25. Do you have any clause in your bidding document to provide any incentive to the supplier who will comply sustainable issue?

Yes

No

No idea about the issue

26. Have you any rated criteria in evaluation process for good procurement and do you mention it in bidding document?

If any, please explain .....

.....

.....

27. Any suggestion/ opinion/ comments regarding sustainable procurement from your experience?

.....  
.....

**Appendix – B: Questionnaire (Fill up)**

# SUSTAINABILITY QUESTIONNAIRE

Company name..... Date.....

Respond name & designation (optional) .....

Respond level:      1. Management level      2. Mid-level      3. Operational level

1. Does your company know about sustainable procurement?

Yes ✓

No

Any other comment .....

2. Does your company believe in best value for money rather than low cost?

Yes ✓

No

Sometimes

Any other comment .....

3. Does your company believe in fairness, integrity and transparency at the time of purchase?

Yes ✓

No

Any other comments .....

4. Which one your company generally prefer?

High quality product, price does not matter

Low price product, whatever the quality

Balanced with quality and price ✓

5. Which level of the product your company mostly focuses on?

Product qualification level

Product specification level ✓

Certification level

No idea about the issue

6. Does your company have any sustainable procurement policy?

Yes

No ✓

Under development

Any other comment .....

7. Any social aspects do your company take into consideration before purchasing?

Yes

No

Sometimes ✓

8. Which type of product your company generally consider to purchase?

We generally asked vendor to offer recyclable, reusable, non-toxic product.

We recommend sustainable products even if the price is high.

Any product ✓

Any other comment .....

9. The suppliers your company basically working with:

Who complies sustainable issues.

Who does not comply sustainable issues.

Both. ✓

10. What is your product disposal system?

We generally dispose the item to the dustbin as waste.

We try to recycle, reuse the product.

We are developing recycling program

Any other only paper and IT equipment

11. How/ why negotiation meeting you generally arrange with the supplier?

Negotiation with hiring expert.

Without knowing the previous purchase price of the product

Only price negotiation

Negotiation on price, technical specification and other aspects ✓

Any other.....

12. Does your company have any specific system to monitor sustainability issues?

Yes

No ✓

Developing

Any other.....

13. As per PPR, tender should be published at least two leading paper and company's website. Do you company comply with the rule?

Yes

No

Comply as well as upload in the company's web site

14. What barriers does your company face to introduce sustainable procurement?

Lack of knowledge

Lack of time

Lack of fund

Lack of trained people in your company to implement

Lack of supplier who comply sustainable issues

Any other comment:Lack of trained people along with lack of supplier knowledge.

15. Is the PPR guide you to purchase sustainable product?

Yes

No ✓

16. As per United Nation procurement process, there is a clause like “Prohibit Child Labor in sale or manufacture of product, engaging in Sexual exploitation and unethical behavior”.

Does your company have any child labor?

Yes

No✓

Any other comment .....

17. What kind of sustainable criteria your company set at the time of publishing quotation/ tender?

Offer eco-friendly product✓

Offer recycle product

Offer non-toxic product

Disposal system of the product

Any other criteria

18. Does your company analyze product life cycle cost?

Yes✓

No

Any other comment .....

19. Does your company have any performance measure indicator for supplier?

Yes√

No

Developing

20. Are your company willing to pay some extra money for better quality product?

Yes

No

We pay only which product meets our requirement. Life cycle cost sometimes calculated.

21. Does your company working in preparing the bidding document with incorporate the sustainable issues and other benefited aspects to get a better outcome from the product?

Yes

No

Developing√

No idea about the issue

22. Does your company working to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement?

Yes

No

Developing

No idea about the issue      Not yet

23. Does your company preparing any proper guidelines for sustainable procurement?

Yes

No

Developing

No idea about the issue

Not yet

24. Does your company working with to manage risk by sustainable procurement?

Yes

No

Developing

No idea about the issue

Not yet

25. Do you have any clause in your bidding document to provide any incentive to the supplier who will comply sustainable issue?

Yes

No√

No idea about the issue

26. Have you any rated criteria in evaluation process for good procurement and do you mention it in bidding document?

If any, please explain: for goods procurement, evaluation is being done on the basis of specification, eligibility, qualification criteria. All criteria is mentioned in the tender documents.

27. Any suggestion/ opinion/ comments regarding sustainable procurement from your experience?

It requires comprehensive analysis and study. Management should focus and take action so that it can be implemented. In Bangladesh, local suppliers are not still aware about it.

# SUSTAINABILITY QUESTIONNAIRE

Company name..... Date.....

Respond name & designation (optional) .....

Respond level:      1. Management level      2. Mid-level      3. Operational level

1. Does your company know about sustainable procurement?

Yes

No✓

Any other comment .....

2. Does your company believe in best value for money rather than low cost?

Yes

No✓

Sometimes

Any other comment .....

3. Does your company believe in fairness, integrity and transparency at the time of purchase?

Yes✓

No

Any other comments .....

4. Which one you company generally prefer?

High quality product, price does not matter

Low price product, whatever the quality

Balanced with quality and price✓

5. Which level of the product your company mostly focuses on?

Product qualification level

Product specification level✓

Certification level

No idea about the issue

6. Does your company have any sustainable procurement policy?

Yes

No✓

Under development

Any other comment .....

7. Any social aspects do your company take into consideration before purchasing?

Yes

No✓

Sometimes

8. Which type of product your company generally consider to purchase?

We generally asked vendor to offer recyclable, reusable, non-toxic product.

We recommend sustainable products even if the price is high.

Any product ✓

Any other comment .....

9. The suppliers your company basically working with:

Who complies sustainable issues.

Who does not comply sustainable issues.

Both. ✓

10. What is your product disposal system?

We generally dispose the item to the dustbin as waste. ✓

We try to recycle, reuse the product.

We are developing recycling program

Any other .....

11. How/ why negotiation meeting you generally arrange with the supplier?

Negotiation with hiring expert.

Without knowing the previous purchase price of the product

Only price negotiation

Negotiation on price, technical specification and other aspects ✓

Any other.....

12. Does your company have any specific system to monitor sustainability issues?

Yes

No✓

Developing

Any other.....

13. As per PPR, tender should be published at least two leading paper and company's website. Do you company comply with the rule?

Yes✓

No

14. What barriers do your company face to introduce sustainable procurement?

Lack of knowledge

Lack of time

Lack of fund

Lack of trained people in your company to implement

Lack of supplier who comply sustainable issues✓

Any other comment .....

15. Is the PPR guide you to purchase sustainable product?

Yes

No✓

16. As per United Nation procurement process, there is a clause like “Prohibit Child Labor in sale or manufacture of product, engaging in Sexual exploitation and unethical behavior”.

Does your company have any child labor?

Yes

No ✓

Any other comment .....

17. What kind of sustainable criteria your company set at the time of publishing quotation/ tender?

Offer eco-friendly product

Offer recycle product

Offer non-toxic product

Disposal system of the product

Any other criteria

Not any.

18. Does your company analyze product life cycle cost?

Yes

No ✓

Any other comment .....

19. Does your company have any performance measure indicator for supplier?

Yes✓

No

Developing

20. Are your company willing to pay some extra money for better quality product?

Yes

No✓

21. Does your company working in preparing the bidding document with incorporate the sustainable issues and other benefited aspects to get a better outcome from the product?

Yes

No✓

Developing

No idea about the issue

22. Does your company working to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement?

Yes

No✓

Developing

No idea about the issue

23. Does your company preparing any proper guidelines for sustainable procurement?

Yes

No✓

Developing

No idea about the issue

24. Does your company working with to manage risk by sustainable procurement?

Yes

No✓

Developing

No idea about the issue

25. Does you have any clause in your bidding document to provide any incentive to the supplier who will comply sustainable issue?

Yes

No✓

No idea about the issue

26. Have you any rated criteria in evaluation process for good procurement and do you mention it in bidding document?

If any, please explain: No

27. Any suggestion/ opinion/ comments regarding sustainable procurement from your experience?

For government purchase it is advisable to incorporate sustainable procurement criteria at

PPR.

# SUSTAINABILITY QUESTIONNAIRE

Company name..... Date.....

Respond name & designation (optional) .....

Respond level:      1. Management level      2. Mid-level      3. Operational level

1. Does your company know about sustainable procurement?

Yes✓

No

Any other comment .....

2. Does your company believe in best value for money rather than low cost?

Yes✓

No

Sometimes

Any other comment .....

3. Does your company believe in fairness, integrity and transparency at the time of purchase?

Yes✓

No

Any other comments .....

4. Which one you company generally prefer?

High quality product, price does not matter

Low price product, whatever the quality

Balanced with quality and price✓

5. Which level of the product your company mostly focuses on?

Product qualification level✓

Product specification level

Certification level

No idea about the issue

6. Does your company have any sustainable procurement policy?

Yes

No✓

Under development

Any other comment .....

7. Any social aspects do your company take into consideration before purchasing?

Yes✓

No

Sometimes

8. Which type of product your company generally consider to purchase?

We generally asked vendor to offer recyclable, reusable, non-toxic product.

We recommend sustainable products even if the price is high.

Any product ✓

Any other comment .....

9. The suppliers your company basically working with:

Who complies sustainable issues.

Who does not comply sustainable issues.

Both. ✓

10. What is your product disposal system?

We generally dispose the item to the dustbin as waste.

We try to recycle, reuse the product.

We are developing recycling program ✓

Any other .....

11. How/ why negotiation meeting you generally arrange with the supplier?

Negotiation with hiring expert. ✓

Without knowing the previous purchase price of the product

Only price negotiation

Negotiation on price, technical specification and other aspects

Any other.....

12. Does your company have any specific system to monitor sustainability issues?

Yes

No✓

Developing

Any other.....

13. As per PPR, tender should be published at least two leading paper and company's website. Do you company comply with the rule?

Yes✓

No

14. What barriers do your company face to introduce sustainable procurement?

Lack of knowledge

Lack of time

Lack of fund

Lack of trained people in your company to implement

Lack of supplier who comply sustainable issues✓

Any other comment .....

15. Is the PPR guide you to purchase sustainable product?

Yes

No✓

16. As per United Nation procurement process, there is a clause like “Prohibit Child Labor in sale or manufacture of product, engaging in Sexual exploitation and unethical behavior”.

Do your company has any child labor?

Yes

No✓

Any other comment .....

17. What kind of sustainable criteria your company set at the time of publishing quotation/ tender?

Offer eco-friendly product✓

Offer recycle product

Offer non-toxic product

Disposal system of the product

Any other criteria

18. Does your company analyze product life cycle cost?

Yes✓

No

Any other comment .....

19. Does your company have any performance measure indicator for supplier?

Yes√

No

Developing

20. Are your company willing to pay some extra money for better quality product?

Yes

No√

21. Does your company working in preparing the bidding document with incorporate the sustainable issues and other benefited aspects to get a better outcome from the product?

Yes

No

Developing√

No idea about the issue

22. Does your company working to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement?

Yes

No

Developing√

No idea about the issue

23. Does your company preparing any proper guidelines for sustainable procurement?

Yes

No

Developing√

No idea about the issue

24. Does your company working with to manage risk by sustainable procurement?

Yes

No√

Developing

No idea about the issue

25. Do you have any clause in your bidding document to provide any incentive to the supplier who will comply sustainable issue?

Yes

No√

No idea about the issue

26. Have you any rated criteria in evaluation process for good procurement and do you mention it in bidding document?

If any, please explain .....No.....

.....  
.....

27. Any suggestion/ opinion/ comments regarding sustainable procurement from your experience?

PPR 2008 should be amended for incorporating sustainable procurement.

# SUSTAINABILITY QUESTIONNAIRE

Company name..... Date.....

Respond name & designation (optional) .....

Respond level:      1. Management level      2. Mid-level      3. Operational level

1. Does your company know about sustainable procurement?

Yes

No

Any other comment: A little bit.

2. Does your company believe in best value for money rather than low cost?

Yes

No

Sometimes

Any other comment: we want to buy best product but our procedure does not allow all time to purchase the item with high price.

3. Does your company believe in fairness, integrity and transparency at the time of purchase?

Yes√

No

Any other comments .....

4. Which one you company generally prefer?

High quality product, price does not matter

Low price product, whatever the quality

Balanced with quality and price ✓

5. Which level of the product your company mostly focuses on?

Product qualification level ✓

Product specification level ✓

Certification level ✓

No idea about the issue

6. Does your company have any sustainable procurement policy?

Yes

No

Under development ✓

Any other comment .....

7. Any social aspects do your company take into consideration before purchasing?

Yes

No

Sometimes ✓

8. Which type of product your company generally consider to purchase?

We generally asked vendor to offer recyclable, reusable, non-toxic product.√

We recommend sustainable products even if the price is high.

Any product

Any other comment .....

9. The suppliers your company basically working with:

Who complies sustainable issues.

Who does not comply sustainable issues.

Both.√

10. What is your product disposal system?

We generally dispose the item to the dustbin as waste.

We try to recycle, reuse the product.√Very few

We are developing recycling program

Any other .....

11. How/ why negotiation meeting you generally arrange with the supplier?

Negotiation with hiring expert.√

Without knowing the previous purchase price of the product

Only price negotiation

Negotiation on price, technical specification and other aspects√

Any other.....

12. Does your company have any specific system to monitor sustainability issues?

Yes

No✓

Developing

Any other.....

13. As per PPR, tender should be published at least two leading paper and company's website. Do you company comply with the rule?

Yes✓

No

14. What barriers do your company face to introduce sustainable procurement?

Lack of knowledge✓

Lack of time

Lack of fund

Lack of trained people in your company to implement✓

Lack of supplier who comply sustainable issues✓

Any other comment .....

15. Is the PPR guide you to purchase sustainable product?

Yes

No✓

We generally don't follow PPR.

16. As per United Nation procurement process, there is a clause like “Prohibit Child Labor in sale or manufacture of product, engaging in Sexual exploitation and unethical behavior”.

Do your company has any child labor?

Yes

No✓

Any other comment .....

17. What kind of sustainable criteria your company set at the time of publishing quotation/ tender?

Offer eco-friendly product

Offer recycle product

Offer non-toxic product

Disposal system of the product

Any other criteria                    Not any.

18. Does your company analyze product life cycle cost?

Yes✓

No

Any other comment .....

19. Does your company have any performance measure indicator for supplier?

Yes√

No

Developing

20. Are your company willing to pay some extra money for better quality product?

Yes

No

Sometimes

21. Does your company working in preparing the bidding document with incorporate the sustainable issues and other benefited aspects to get a better outcome from the product?

Yes

No

Developing√

No idea about the issue

22. Does your company working to identify the sustainability factors that can be incorporated in the bidding process for effective sustainable procurement?

Yes

No

Developing√

No idea about the issue

23. Does your company preparing any proper guidelines for sustainable procurement?

Yes

No

Developing√

No idea about the issue

24. Does your company working with to manage risk by sustainable procurement?

Yes

No

Developing√

No idea about the issue

25. Do you have any clause in your bidding document to provide any incentive to the supplier who will comply sustainable issue?

Yes

No

No idea about the issue

Not in the bidding document but sometimes we provide.

26. Have you any rated criteria in evaluation process for good procurement and do you mention it in bidding document?

If any, please explain: Yes. Most of the time we evaluate the product by keeping a highest number (80%) for cost and rest 20% for product quality, specification, etc.

27. Any suggestion/ opinion/ comments regarding sustainable procurement from your experience?

Sometimes procurement is better than general procurement but lack of knowledge, company's procedure, implementation, we cannot apply the issue. But, in future it will be implemented for purchasing better product.