

## **Abstract**

Public procurement is the process whereby public sector organisations acquire goods, services and works from third parties. Until 2003, General Financial Rules (GFR) had regulated public procurement procedures and practices in Bangladesh. In our country, there was no standard and legal framework for public procurement. In order to streamlining the public procurement system, government undertook an array of reforms to strengthen the public procurement regime which ultimately led to the making and issuance of Public Procurement Regulations in 2003. To intensify the improvement measures in the public procurement system, the House of the Nation enacted the much desired law, the Public Procurement Act 2006. Under the Act of 2006, the Public Procurement Rules 2008 was framed and issued, which replaced the Public Procurement Regulations, 2003 which until then continued to have effect.

A major portion of the Annual Development Programme is being spent through Public Procurement. Again a remarkable portion of Public Procurement is being done for Procurement of Works i.e. for construction of buildings, roads, bridges and other infrastructures. In the field of procurement of works, somebody argue that PPR 2008 has adversely affected the performance of construction projects. On the other hand somebody comment that after the introduction of PPR 2008, a discipline has been developed in the public procurement system. Hence, now time have come to assess the real impact of Public Procurement Rules 2008 on the implementation of construction projects.

The objective of the study is to find out the impact of Public Procurement Rules 2008 on the procurement of works. The main research question for this study is whether introduction of Public Procurement Rules 2008 has positively impacted ‘performance of procurement’ of construction projects? How the performance of construction projects have been impacted after the transformational change in the public procurement system has been assessed in this research by conducting a case study on the Public Works Department (PWD).

Questionnaire survey has been conducted in the Public Works Department to collect the primary data. In addition to the survey, Key Informant Interview has also been conducted to get the perception of few senior officers of the PWD and few contractors concerned. Qualitative data have been collected regarding the impact of PPR 2008 on the three performance indicators of construction project management total procurement time, quality of work and total cost of the procurement.

The key findings of the study reveals that the PPR 2008 has significant positive impact on the total time of procurement of works but it has not improved quality of construction works, moreover in some cases quality has deteriorated after introduction of PPR 2008. On the other hand, PPR 2008 has not any significant impact on the total project cost.

This study also reveals that the PPR 2008 have created a mix impact on the procurement performance. A dicipline is developed in the public procurement system in Bangladesh. But it is debateable whether PPR 2008 should be applied in all public procurement irrespective of value? The study has observed that for big procurement, PPR 2008 is suitable; however, a more simplified procurement system should be developed for repair, maintenance and small value procurement.

For improvement of procurement performance of construction projects with respect to total procurement time, quality of works and total project cost, some recommendations are drawn based on the study like:- detailed drawings, plan etc. to be prepared well in advance before the commencement of tender processing; 'Liquidated damage' clause to be properly applied; smooth flow of fund to be ensured for timely implementation of construction projects; rules regrading defects liability period, defect correction certificate etc. to be properly followed; emphasis to be given on the performance specification in addition to conformance specification; Sub-Rule 29(3) of PPR 2008 to be ammended; the acivities of BSTI to be strengthened for controlling the quality of raw materials in the market; variation of scope should be avoided once the construction work is started except unavoidable situation; PPR 2008 to be customised according to the specific need of different types of procurement; extended training on procurement to be ensured for all procurement personnel of different government organization.