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**Procurement effectiveness in Local Government Engineering  
Department (LGED) under IDA and GoB Funded Projects**

**A Dissertation**

**Submitted by**

**Md. Abdul Aziz**

**Masters in Procurement and Supply Management (MPSM)**

**Batch 7**

**ID No. 14282022**



**BRAC Institute of Governance and Development (BIGD)  
BRAC University, Dhaka.**



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**December 2014**

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**Supervised by**

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**Academic Coordinator & Assistant Professor**

**BRAC Institute of Governance and Development (BIGD)**

**BRAC University**



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**BRAC University, Dhaka.**



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**December 2014**

## CERTIFICATE OF ORIGINALITY BY THE AUTHOR

The project entitled "Procurement effectiveness in Local Government Engineering Department (LGED) under IDA and GoB Funded Projects has been prepared by the author, (ID No. 14282022), BRAC Institute of Governance and Development (BIGD), BRAC University and submitted as partial fulfilment of the requirements for Masters in Procurement and Supply Management. The report has been prepared based on original work done and not submitted this report as a required subject of study to this University or to any other institution.

**Md. Abdul Aziz**

Masters in Procurement and Supply Management (MPSM)

Batch # 7

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## **CERTIFICATE OF ORIGINALITY BY THE SUPERVISOR**

The project entitled "Procurement effectiveness in Local Government Engineering Department (LGED) under IDA and GoB Funded Projects has been prepared by Md. Abdul Aziz, (ID No. 14282022), BRAC Institute of Governance and Development (BIGD), BRAC University and submitted as partial fulfilment of the requirements for Masters in Procurement and Supply Management under my guidance and supervision. The report has been prepared based on original work done by the author. So far as I am aware, he did not submit this report as a required subject of study to this University or to any other institution. The report may be accepted for evaluation.

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**Md. Abdul Aziz**

## DEDICATION

*In loving memory of my revered parents, son-Muballigh Mursheed Omar, daughter-Fatema Kaniz Faiza, Wife-Meherunnesa, specially my father, who has passed away from us on 14, February 2006.*

## Abstract

In 1999, WB and ADB conducted joint review of the country portfolio procurement performance and prepared an action plan for government on public procurement. The World Bank in agreement with the Government of Bangladesh (GoB) has prepared the Country Procurement Assessment Report (CPAR) in 2002 and identified several deficiencies in the procurement system of the GoB. As per recommendations of the CPAR, the GoB established a procurement policy unit within the Implementation, Monitoring and Evaluation Division (IMED) under planning ministry. GoB then issued “The Public Procurement Regulations 2003” in September 2003 for streamlining the process and to ensure unified procurement systems for government’s departments as well as autonomous, semi-autonomous bodies and corporations. In July’ 2006 GoB then enacted “The Public Procurement Act, 2006” (PPA 2006) and consequently in January’ 2008 issued “The Public Procurement Rules, 2008” (PPR 2008) to ensure transparency and accountability in the procurement of goods, works and services using public funds. On the other hand, the world bank guidelines are used for the procurement under IDA financed project.

The objectives of the research was to study the effectiveness of the procurement course of actions in LGED under IDA and GoB funded projects as well as to find out the factors affecting procurement management systems and to suggest for further enhancement of the procurement process. The methodology of this research was a combination of literature review, questionnaire survey, key informants interview and secondary data collection from project offices. The major literatures that reviewed are world bank procurement guidelines, PPA 2006, PPR 2008, website documents, different procurement journals and reports. The questionnaire survey data were collected from 30 different levels LGED officials as well as from 8 contractors and 2 consultants.

The major findings in this research are; Tender Notices floated as per Rule 61 (4) of PPR 2008 keeping sufficient time for the preparation and submission of tenders from the date of advertisement on the basis of official estimated costs. 93% and 87% of TER approved within specified timeframe for GoB funded IRIDP project and IDA financed RTIP II project respectively. The main reasons for time extension is due to fund flow crisis, shortage of labour, price hike of construction materials and natural calamities delay works. The main causes for contract variation are scope of work change, faulty estimate preparation and design variation. Barriers for proper contract implementation are; lack of commitment both PEs and contractors, lack of knowledge on procurement processing for the PE’s staffs, massive tender documents, lack of

training and development, political influences, lack of knowledge of the contractors and their staffs, attitudinal problems, fund flow crisis and so on related issues. 100% respondents commented that introduction of e-procurement system increased efficiency and decreased malpractices in the procurement process. It is observed that IDA financed RTIP II project is better performing than GoB funded IRIDP project because of better fund flow, extensive monitoring & supervision systems, application of donor's compliances and so on related issues.

Major suggestions provided by the researcher for effective implementation of the procurement process are; Publication of user friendly simplified tender documents, Strict applications of the procurement rules and regulations, Estimate should be prepared more cautiously to avoid variation order preparation, Time extension should be discouraged by applying liquidated damages, Ensuring training and development both for PE's staffs as well as for contractor's concern personnel for adapting them in effective procurement practices, Ensuring governance and internal control for making it more effective, Introducing reward system for better performance and punishment for poor performance for effective implementation of the contracts, Ensuring extensive use of e-procurement systems to increase efficiency, transparency and quick processing.



## ACRONYMS

AA	Approving Authority
ADB	Asian Development Bank
ADP	Annual Development Programme
AE	Assistant Engineer
AO	Authorized Officer
BDT	Bangladesh Taka
CAA	Contract Approving Authority
CCGP	Cabinet Committee on Government Purchases
CIPS	The Chartered Institute of Purchasing and Supply
CPTU	Central Procurement Technical Unit
DoFP	Delegation of Financial Power
DPD	Deputy Project Director
DPM	Direct Procurement Method
DPP	Development Project Proposal
ECNEC	Executive Committee on National Economic Council
EOI	Expressions of Interest
ERD	Economic Relations Division
GCC	General Conditions of Contract
GFR	General Financial Rules
GOB	Government of Bangladesh
HOPE	Head of Procuring Entity
ICD	Intended Completion Date
IDA	International Development Association
IFT	Invitations for Tender
IMED	Implementation Monitoring and Evaluation Division
ITT	Instructions to Tenderers
JVCA	Joint Venture, Consortium or Association
KPI	Key Performance Indicators
LCS	Least Cost Selection
LGED	Local Government Engineering Department
LTM	Limited Tendering Method
MLGRD&C	Ministry of Local Government Rural Development & Co-operatives

MoF	Ministry of Finance
MoP	Ministry of Planning
NOA	Notification of Award
OTM	Open Tendering Method
PCC	Particular Conditions of Contract
PD	Project Director
PE	Procuring Entity
PM	Project Manager
PPA	Public Procurement Act
PPR	Public Procurement Rules
PPRP II	Public Procurement Reform Project (Phase II)
PWD	Public Works Department
RADP	Revised Annual Development Programme
SBCQ	Selection Based on Consultant's Qualifications
QCBS	Quality & Cost Based Selection
REB	Rural Electrification Board
RFQ	Request for Quotation
RHD	Roads and Highways Department
SFB	Selection under a Fixed Budget
SSS	Single Source Selection
SPSS	Statistical Product and Service Solutions
Sr. AE	Senior assistant engineer
SRGB	Survey Research Group of Bangladesh
TDS	Tender Data Sheet
TEC	Tender Evaluation Committee
TER	Tender Evaluation Report
TOC	Tender Opening Committee
TOS	Tender Opening Sheet
TSTM	Two-Stage Tendering Method
WB	World Bank
XEN	Executive Engineer

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# CHAPTER ONE: INTRODUCTION

## 1.1 Back ground of the study

Procurement is the process of obtaining works, goods or services in ways including purchasing, hiring, leasing and borrowing in a contractual means. Procurement includes activities like; identification and definition of needs, surveying the market to identify potential suppliers/bidders and gather market intelligence, sourcing for identifying and selecting suppliers/bidders, negotiations, contract development, ongoing contract management, contractor relationship management, dispute resolution, contract review and so on. The term public procurement is that type of procurement where public fund used in the procurement process.

In particular, before 2003, there was no such law or decree in the constitution of Bangladesh for the provisions of public procurement. The public procurement procedures and practices have evolved over the years from the British and subsequently Pakistani rule. A compilation of General Financial Rules (GFR) originally issued under British rule, was slightly revised in 1951 under Pakistani rule and was reissued in 1994 and again in June 1999 with very few changes. Since independence of Bangladesh in 1971, the public procurement practices have been influenced by the World Bank, the Asian Development Bank and other donors since the bulk of public procurement is externally funded. Some departments, autonomous boards and public undertakings have drafted their own set of procedures or a manual and the rest follow the PWD code. For local budget, the contract document used form 2911 for the procurement of works, which was initially drafted in 1932 and it has hardly undergone any improvement. Similarly, for procurement of goods under local budget, contract form 2908 used which was outlined in 1930 (CPAR, 2002).

In 1999, World Bank (WB) and Asian Development Bank (ADB) conducted joint review of the country portfolio procurement performance and prepared an action plan for government on public procurement. The World Bank in agreement with the Government of Bangladesh (GoB) has prepared the Country Procurement Assessment Report (CPAR) in 2002 and identified several deficiencies in the procurement system of the GoB.

As per recommendations of the CPAR, the GoB established a procurement policy unit within the Implementation, Monitoring and Evaluation Division (IMED) under planning ministry. GoB then issued “The Public Procurement Regulations 2003” in September 2003 for streamlining the process and to ensure unified procurement systems for government’s departments as well as

autonomous, semi-autonomous bodies and corporations. In July' 2006 GoB then enacted "The Public Procurement Act, 2006" (PPA 2006) and consequently in January' 2008 issued "The Public Procurement Rules, 2008" (PPR 2008). The Public Procurement Regulations 2003 was effective till issuing PPR 2008. Further amendments were made both the Acts & Rules.

The PPA 2006 is the "**Primary legislation**" focuses on main public procurement issues and directly requires obligatory adoption of rules/regulations. On the other hand, The PPR 2008 is the "**Secondary legislation**" which prepared based on the PPA 2006 along with other relevant implementation documents, formats, models, guidelines, instructions and addresses those which being important for a proper and effective public procurement procedure to be carried out.

Central Procurement Technical Unit (CPTU) has been established within IMED of Planning Ministry, for carrying out the purposes of Section 67 of PPA 2006 which stated below:

- Providing for monitoring compliance with and implementation of this Act through the authority as designated by the Government
- Arranging for performance of the necessary functions and responsibilities incidental thereto, through the authority as designated by the government and
- Performing any other responsibilities as prescribed.

The Local Government Engineering Department (LGED) is a public sector organization under the ministry of Local Government, Rural Development & Cooperatives. LGED is entrusted to plan, develop and maintain local level rural infrastructures, urban infrastructures, infrastructures for educational facilities development as well as small scale water resources infrastructure throughout the country. The broad objective of LGED's development activities is to improve the socio-economic condition of the country through ensuring infrastructural facilities at local level and capacity building of the stakeholders. LGED is the public sector one of the largest construction agency in Bangladesh which is a highly decentralized where ninety nine percent of total manpower works at District and Upazila level. The current manpower of LGED is 11068. In FY 2012-13 LGED received a total amount of BDT 8,377.47 crore under the development and revenue budget. LGED spent a total amount of BDT 8,264.91 crore on development programs, which constitutes 21.40% of the Government's total annual development outlay amounting BDT 38,620.00 crore (LGED's Annual Report 2012-13, page No. 02). The organizational background of LGED can be traced back to early sixties when implementation of works program (WP) comprising Rural Works Program (RWP), Thana Irrigation program (TIP) and Thana Technical



Development Committee (TTDC) was started. A “Cell” was established in the Local Government Division (LGD) under the Ministry of Local Government, Rural Development & Cooperative (MLGRD&C) in 1970s. To administer WP nation wide, the Works Program Wing (WPW) was created in 1982 under the Development Budget. It was reformed into the Local Government Engineering Bureau (LGEB) under Revenue Budget of the Government in October, 1984. LGEB was upgraded as the Local Government Engineering Department (LGED) in August, 1992 ( www.lged.gov.bd). LGED is one of the 04 target agencies of GoB where it has been initiated the implementation program of Public Procurement Reform Project II (PPRP II) in 2009. The four target agencies are; Bangladesh Water Development Board (BWDB), Roads and Highways Department (RHD), Local Government Engineering Department (LGED) and Rural Electrification Board (REB). LGED has a strong procurement unit and web based communication systems for monitoring and reporting.

Currently 99 projects are ongoing under LGED of which GoB directly funding and/or contributing in 53 projects and rest of them are funded by different donor agencies like; JICA, IDA (World Bank), ADB, IDB, UNDP, WFP, OPEC, DFID, USAID, GTZ, DANIDA and so on. Among them, “Important Rural Infrastructure Improvement Project on priority basis (IRIDP)” is the largest project under LGED which is fully GoB funded amounting budget BDT 4892.84 crore. On the other hand, donor funded largest project in LGED is the “Second Rural Transport Improvement Project (RTIP-II)” amounting budget BDT 3343.04 crore funding by IDA. Both projects are working for country’s socio-economic development by improving infrastrucral facilities through procurement process.

## **1.2 Statement of the problem**

Lack of skills in procurement personnel, ethical problems, lack of commitment to procure as per PPA 2006 & PPR 2008 as well as lack of understanding on donor agency’s procurement rules and practices.

The PPR 2003 was effective till issuing the PPR 2008, but due to lack of knowledge, some personnel mistakenly exercise the PPA 2003 which creates troubles in procurement process. The PPR 2008 was issued as per Section 70 of PPA 2006. It has clearly been mentioned in the PPR 2008, the activities to be taken regarding procurement plan to notification of award to contract management of works, goods, and services through diverse methods of different threshold values.

In the PPA 2006, there are 73 sections of Primary legislation focuses on main public procurement issues. On the other hand, PPR 2008 has 130 sections addressing secondary legislation those which important for a proper and effective public procurement procedure to be carried out. The PPR 2008 also has 14 schedules where facts & figures mentioned specifically. For example, regarding **tender validity period** determination, it has been mentioned in section 19 (I) of PPR 2008 that “The validity period shall be determine depending on the complexity of the Tender or Proposal and the time needed for its evaluation and approval and shall be within the limits specified in Schedule II”. In the schedule it has specifically been mentioned the requirements. Regarding tender or Proposal Validity Period in section 19 (I) of schedule II, it has been mentioned that “Normally between sixty (60) and one hundred twenty (120) days”.

For example, in Schedule III of PPR 2008, it has been clearly mentioned the authority wise approval procedures and timeframe, but many cases it not properly maintained due to lack of knowledge & commitment. For effective and efficient implementation of procurement activities, the Procurement Acts & Rules needs to be followed properly, otherwise malpractices will be raised.

### **1.3 Rationale of the study**

LGED is the public sector one of the largest construction agency in Bangladesh. The broad objective of LGED’s development activities is to improve the socio-economic condition of the country through ensuring infrastructural facilities at local level by effective and efficient procurement process. Currently 99 projects are ongoing under LGED of which GoB contributing 53 projects and rest of them are funding by different donor agencies like; JICA , IDA (World Bank), ADB, IDB, UNDP, WFP, OPEC, DFID, USAID, GTZ, DANIDA and so on. LGED spent a total amount of BDT 8,264.91 crore on development programs in FY 2012-13, which constitutes 21.40% of the Government’s total annual development outlay. It is mandatory for LGED as a Government sector organization to comply with the PPA 2006, PPR 2008 as well as donor agency’s procurement guidelines in the procurement process to make ensure proper utilization of allocated funds. I do believe that, it requires conducting an independent study to ensure how LGED is effective in spending money for the infrastructural development through successful procurement process.

## **1.4 Research Questions**

The study aims to recognize the area of “Effectiveness of LGED for the Procurement of Works under IDA and GoB Funded Projects”. It also intends to reveal any constraints against effective procurement process. Hence, the research questions for the studies are :

1. How LGED is effective to persistent procurement of Works as per IDA procurement guidelines and as per PPA 2006 & PPR 2008?
2. Is there any constraint for LGED for the successful procurement and contract management?

## **1.5 Objectives of the study**

The primary objective of the research is to find out successful procurement management practices of LGED under IDA and GoB funded projects. The specific objectives are:

- To study the efficiency and effectiveness of the procurement course of actions of LGED with reference to the IDA procurement guidelines and PPA 2006 & PPR 2008.
- To find out the factors affecting procurement management systems.
- Suggestions for further enhancement in procurement practices.

## **1.6 Scopes and Limitations of the study**

At present, there are 99 projects and thousands of schemes are ongoing under Local Government Engineering Department (LGED) for infrastructural development through procurement process. Source of funds in LGED projects are from GoB and from more than 36 donor agencies. There is lot of scopes to analyze and evaluate the procurement effectiveness of LGED in compliance with the PPA 2006 & PPR 2008 as well as compliance with the donor agencies procurement process. But due to time limitation, I choose 1 project from GoB part, the “Important Rural Infrastructure Improvement Project on priority basis (IRIDP) which is the largest project under LGED amounting budget BDT 4892.84 crore. On the other hand, I choose 1 donor side funded project, the “Second Rural Transport Improvement Project (RTIP-II)” which is the largest project under donor headed amounting budget of BDT 3343.04 crore funding by IDA (World Bank). Both the projects are working for the development of rural transport communication including roads, bridges, culverts, markets, jetty, ghats and so on infrastructural development through procurement processes.

## **1.7 Organisation of the study Report**

The whole report consisting of introduction, Literature review, Methodology of the study, Findings and Data Analysis, Conclusion and Recommendations.

In the introduction chapter it consists back ground of the study, problem statement, rationale of the study, research questions, study objectives as well as limitations and scopes of the study.

In the second chapter, it covers the literature review. The literature reviewed from various books, manuals, rules & regulations, policies and procedures like; PPA-2006, PPR-2008, IDA (World Bank) procurement guidelines and so on.

The third chapter described research methodology of the study. Fourth chapter comprises findings and discussion and finally, Chapter five described conclusion and recommendations.

## **CHAPTER TWO: LITERATURE REVIEW AND CONCEPT**

### **2.1 Procurement systems**

Procurement embraces actions and events before and after the signing of a contract as well as the common management activities associated with a range of contracts. The procurement definition, its processes and steps are conferred below:

#### **2.1.1 Procurement Definition**

Procurement is the course of action of acquiring works, goods or services in ways including purchasing, hiring, leasing and borrowing in a contractual means. It includes identification and definition of needs, surveying the market to identify potential suppliers/bidders and gather market aptitude, sourcing for identifying and selecting suppliers/bidders, negotiations, contract development, ongoing contract management, contractor relationship management, dispute resolution, contract review and so on. The term public procurement is that type of procurement where public fund used in the procurement process. The pre-contract activities such as planning, needs identification and analysis, and sourcing. The post-contract activities such as contract management, supply chain management and disposal. The general activities such as corporate governance, supplier relationship management, risk management and regulatory compliance ([www.cips.org](http://www.cips.org))

Procurement is the act of obtaining or buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. It often involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores, disposals and other related functions.

The process of procurement is often part of a company's strategy because the ability to purchase certain materials will determine if operations will continue. A business will not be able to survive if it's price of procurement is more than the profit it makes on selling the actual product. For the public sector value for money is more important for the procurement process.

### **2.1.2 Procurement process**

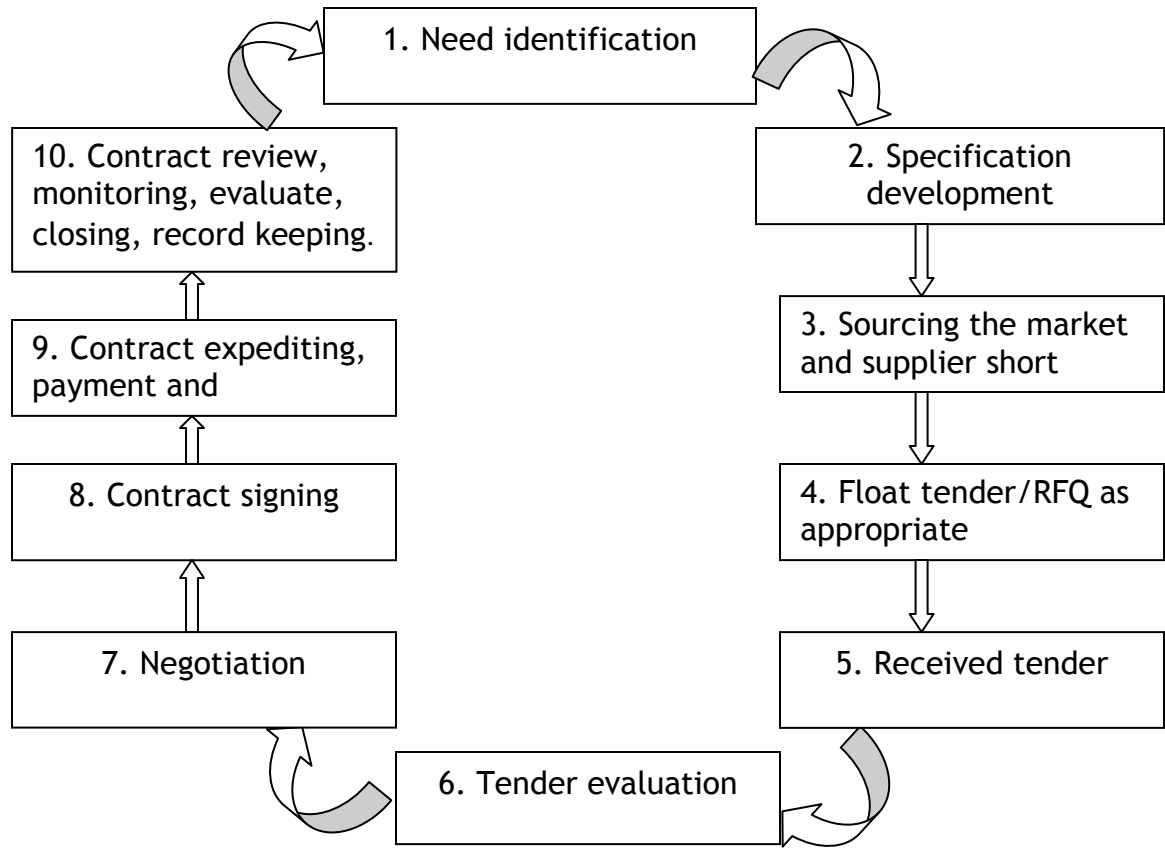
Procurement is the process of buying goods, works or services that engage the acquisition of operation and management services and carried out by the process of tendering, rather than buying products directly from a seller. The buyer first specify its requirements and subsequently release the tendering process. Then interested suppliers submit their proposals to the client to meet these requirements. The management offering the tender will then evaluate the bids to decide which offer best suits its requirements. The company that has been successful in the tender process will perform the work by contract. After the decision has been made to purchase goods or outsource services, the procurement team develops a plan that includes; Selecting the appropriate relationships and contract approaches for each type of purchased goods or outsourced service, Preparing RFQs and RFPs and evaluating partnership opportunities, Evaluating RFQs, RFPs, and partnerships, Awarding and signing contracts, Managing quality, timely performance, Managing contract changes, Closing contracts. The underlying objectives of procurement and tendering are concerned with ensuring competition, which is viewed as a key factor in achieving the twin objectives of accountability in the spending of public money and transparency in the steps of the decision-making processes. The Procurement objective is to maintain the Iron Triangle; cost, quality and time. Cost describes that the activities completed within agreed budget. Quality and time depict the activities carried out in accordance with the specifications within stipulated timeframe ([www.cips.org](http://www.cips.org)).

### **2.1.3 Procurement steps**

The procurement cycle follows specific steps for identifying a requirement of the company through the final step of the award of the contract. The procurement cycle generally consists of 10 (ten) steps. The need identification, specification development, sourcing the market and supplier short listing, tender notice publications, tender received, tender evaluation, negotiation, contract signing, contract expediting & management and finally monitoring, evaluation, closing and reporting.

#### **Step 1: Need Identification**

The business must know it needs a new works, goods, services whether from internal or external sources and it may be one that needs to be reordered, or may be a new item for the company.



**Fig 1: Typical Procurement Cycle**

### **Step 2: Specification development**

The right one is critical for the company. Some industries have standards to make easy specifications determination or may not have any reference. The business must specify the necessary product by using identifiers.

### **Step 3: Source Options**

The company might have an approved vendor list. If not, the business will need to search for a supplier using purchase orders or research a variety of other sources such as magazines, the Internet or sales representatives. The company will qualify the suppliers to determine the best product for the business.

#### **Step 4: Float tender**

The business will investigate all relevant information to determine the best price and terms for the product. This will depend on if the company needs of specialized materials. Usually the business will look into three suppliers before it makes a final decision.

#### **Step 5: Tender received**

The buying organisation will receive all tender submitted within the specified timeframe and then will open the received tenders which meets the specified criteria.

#### **Step 6: Tender evaluation**

All tenders that received and opened within the specified criteria will be evaluated on the basis of MEAT ( most economically advantageous tender) and then they will keep the provision for negotiation.

#### **Step 7: Negotiations**

The lowest evaluated tender will first be negotiated to make certain ethical, economical as well as environmental criteria that will be ensured by the contracting parties as and when required.

#### **Step 8: Contract signing and issuing the purchase order**

The buying organisation will make arrangement to sign the contract when both the parties agreed as per MEAT and negotiated agreement.

#### **Step 9:Contract expediting, Management, Invoice Approval and Payment**

The purchasing organisation will communicate with the supplying organisation to expedite work and to achieve progress maintaining quality. Regarding payment, three documents must match when an invoice requests payment - the invoice itself, the receiving document and the original purchase order. The agreement of these documents provides confirmation from both the receiver and supplier. Any discrepancies must be resolved before the recipient pays the bill.



## **Step 10: Contract closing and record keeping**

Client acceptance, final reporting, record keeping for auditing as well as organisational learning. In the case of audits, the company must maintain proper records that includes purchase records to verify any tax information, warranty information as well as payment papers and so on.

## **2.2. Review of Public Procurement Framework in Bangladesh**

### **2.2.1 Public Procurement Reform in Bangladesh**

The Government of Bangladesh, as part of the broad public sector reforms, has embarked upon to manage implementation challenges aiming at improving performance of public procurement progressively as part of strengthening overall sectoral governance. In order to achieve its aim and objective, a permanent unit, named as Central Procurement Technical Unit (CPTU) was established in 2002 as implementing unit in the field of procurement reform and reform implementation monitoring. Reform process was carried out with ultimate outcomes of formulation and issuance of a unified procurement processing system (Public Procurement Regulations 2003), Implementation Procedures for PPR 2003, Public Procurement Processing and Approval Procedures (PPPA), Revised Delegation of Financial Powers (DOFP) and several Standard Tender Documents (STD's) and Standard Request for Proposal Document for the procurement of Goods, Works and Services. Later on in 2006, the Public Procurement Act was passed by the Parliament (PPA 2006) and in 2008, a new set of Public Procurement Rules (PPR 2008) was issued. The PPA 2006 and PPR 2008 were made effective on 31 January, 2008 ([www.cptu.gov.bd](http://www.cptu.gov.bd)).

### **2.2.2 Country Procurement Assessment Report (CPAR) and the Public Procurement Reform Project (PPRP)**

The public procurement has significant role to the Government and approximately 80% of the annual development program is used up by public procurement. The Country Procurement Assessment Report (CPAR) prepared by World Bank, in agreement with the Government of Bangladesh, identified many shortfalls, including the following major deficiencies, in the procurement system of the Government of Bangladesh.

- Absence of sound legal framework governing public sector procurement
- Complex bureaucratic procedure causing delay

- Absence of planning
- Multiple layers in the approval and review process
- Lack of adequate professional competence of staff to manage public procurement
- Generally poor quality bidding documents and bid evaluation\
- Ineffective administration of contracts
- Absence of adequate mechanism for ensuring transparency and accountability

With the above backdrop, the need for improving governance in the public procurement management area was felt. The first "Public Procurement Reform Project" with IDA assistance approved on 14 February 2002 clearly defined its implementation objectives as to 'contribute to improved performance in public procurement through introduction of measures to make the public procurement system compliant with internationally agreed norms for efficiency, transparency and accountability with the increase of procurement capacity through training and creation of a pool of national procurement professionals.

### **2.2.3 Public Procurement Reform Project II (PPRP-II)**

To strengthen and sustain the public procurement reform, a new technical assistance project titled 'Public Procurement Reform Project II (PPRP-II)' was approved by the GOB in June, 2007 which is now under implementation by the CPTU/IMED. In implementing those initiatives and addressing the issues PPRP-II contains a comprehensive set of four major components;

Component 1: Furthering Policy Reform and Institutionalizing Capacity Development

Component 2: Strengthening Procurement Management at Sectoral Level & CPTU/IMED

Component 3: Introducing e-Government Procurement (e-GP)

Component 4: Communication, Behavioral Change, and Social Accountability

### **2.3 Review of PPA 2006 and PPR 2008**

The PPA 2006 is the “**Primary legislation**” focuses on main public procurement issues and directly requires obligatory adoption of rules/regulations. On the other hand, The PPR 2008 is the “**Secondary legislation**” which prepared based on the PPA 2006 along with other relevant implementation documents, formats, models, guidelines, instructions and addresses those which being important for a proper and effective public procurement procedure to be carried out. This section also discussed about the Standard Tender Documents (STD) used in tender for procurement of works, goods and services.

### 2.3.1 Public Procurement Act 2006 (PPA 2006)

Public Procurement Act 2006 (PPA 2006) has been passed by the parliament of Bangladesh (Act No.24 of 2006) which got consent of the President on 06.07.2006 and effective from 31 January 2008. The PPA 2006 was conceded to provide transparency and accountability in the procurement of goods, works and services using public fund and ensuring equitable treatment and free and fair competition among all persons wishing to participate in the procurement process. PPA 2006 has 9 chapters and 73 Acts. There 3 (three) amendments made in the Act of PPA 2006. As per section 3 of PPA 2006, it shall apply to the following areas:

- a) procurement of goods, works or services by procuring entity using public funds.
- b) procurement of goods, works or services by any government, semi-government or any statutory body established under any law.
- c) procurement of goods, works or services using public funds by a company registered under the Company Act 1994 (Act No. 18 of 1994).
- d) procurement of goods, works or services under a loan, credit or grant agreement or under any other agreement between the Government and any development partner, foreign country or organisation, provided that if there is anything otherwise contained in the terms and conditions of such agreement, the provisions of that agreement shall prevail.

In first chapter of PPA 2006, it describes about the preliminary matters like;

**“Approving authority”** means the authority which in accordance with the delegation of financial powers approves the award of contract for the procurement of goods, works or services.

**“Delegation of financial powers”** means the orders regarding the delegation of financial authority issued by the Government from time to time relating to the conduct of public procurement or sub-delegation of financial powers under such delegation.

**“Opening committee”** means a tender opening committee (TOC) or a proposal opening committee (POC) constructed under section 6 of the Act.

**“Quotation”** means the priced offer in writing received from tenderers for the procurement of readily available standardised goods, works or services subject to the financial limitation as prescribed by the rules.

**“Works”** means all works associated with the construction, reconstruction, site preparation, demolition, repair, maintenance or renovation of infrastructures.

**“Procurement”** means the purchasing or hiring of goods or acquisition of goods through purchasing and hiring and the execution of works and performance of services by any contractual means.

**“Pre-qualification”** means a procedure for demonstrating qualifications as a pre-condition for being invited to tender.

**“Procuring entity”** means a procuring entity having administrative and financial powers to undertake procurement of goods, works or services using public funds.

**“Head of the procuring entity (HOPE)”** means the secretary of a Ministry or a Division the head of a Government Department or Directorate.

**“Contractor”** means a person under contract with a procuring entity for the execution of any works under PPA 2006.

**“Tender or proposal”** means a tender or as the case may be a proposal submitted by a tenderer or a consultant for delivery of the goods, works or services to a procuring entity in response to an invitation for tender or a request for proposal and for the purposes of the Act, a quotation shall also be included in tender.

**“Tender document or request for proposal document”** means the document provided by a procuring entity to a tenderer or consultant as a basis for the preparation of its tender or proposal.

**“Evaluation committee”** means a tender or a proposal evaluation committee constructed under section 7 of the PPA.

**“Framework contract”** means a contract, effective for a specified period of time, between one or more procuring entities and one or more suppliers, establishing the terms governing the procurement of goods and related services with regard to price and the quantity or as case may be estimated quantities.

**“Public procurement”** means procurement using public fund.

**“Related services”** means services relating to contracts of the supply of goods.

**“Services”** means related services, physical services or intellectual and professional services.

**“Physical services”** means the following services with measurable outputs-

- a) the supply of goods or execution of works relating to operation and maintenance of facilities or plant, surveys, exploratory drilling or
- b) individual service oriented contracts regarding security services, catering services, geological services or third party services.

The chapter one also described about the tenderer, code of ethics, goods, consultant, administrative authority, advertisement, person, intellectual and professional services, quality, review panel, government procurement, public funds, suppliers, short-list,

**In chapter two**, it describes about the preparation, distribution and evaluation of procurement documents, tender opening and evaluation committee formation, tender or proposal evaluation process and so on.

**In chapter three**, it describes public accessibility of the laws relating to procurement, forms of communication, preparation of procurement plan, procurement related documents, competition in procurement, determination of tender validity, submission of security deposit, preparation of specifications and terms of reference, social issues, document translation, maintaining confidentiality of procurement process, rejection of tenders, quotations or proposals, procurement approval process and notification of award of contract, publication of notification of award of contract, administration and management of contract, maintaining records of procurement, post procurement review, participation in procurement process like; non-discrimination, qualification of persons, joint venture, conflict of interest and complaints & appeal like; rights to complain, lodging complain to the administrative authority, appeal and so on.

**In chapter four**, it describes the methods of procurement in section 31, 32, 33, 34, 35 and 36 for works and goods for domestic procurement, international procurement as well as in relation to framework contract. Regarding domestic procurement it describes about open tendering method (OTM) in section 31 and in section 32 it describes other methods like; limited tendering method (OTM), direct procurement method (DPM), two-stage tendering method (TSTM) and request for quotation (RFQ) method.

**Chapter five**, describes about the procurement methods for intellectual and professional services for domestic procurement as well as for international procurement.

**Chapter six** has 4 parts. Part 1 is about advertisement, part 2 about the pre-qualification determination for the procurement of works and goods, part 3 about the processing of tenders for the procurement of works & goods and part 3 contains about processing of applications in response to request for expressions of interest & proposal for procurement to intellectual and professional services.

Section 64 under chapter seven contains about professional misconduct, offences and so on issues. In section 65 under chapter eight it describes about the electronic processing system in

public procurement (e-GP). In the nine and final chapter of PPA 2006 it expresses miscellaneous issues concerning; provisions regarding concession contracts, responsibilities the government about monitoring, special provisions relating to public procurement in case of urgent national needs, protection of actions taken in good faith, power of the government to remove complications and so on issues.

### **Section 70 of the PPA 2006**

**"Applicant"** means a Person who seeks to become enlisted under the Limited Tendering Method under Section 32 (a) of the Act or to be pre-qualified in response to an Invitation for Pre-Qualification under Part-2 of Chapter Six of the Act, or to be short-listed in response to a request for Expression of Interest under Section 54 of the Act.

**"Completion Date"** is the date of completion of the Works as certified by the Project Manager.

**"Contract Price"** is the price stated in the Notification of Award and thereafter as adjusted in accordance with the provisions of the Contract.

**"CPTU"** means the Central Procurement Technical Unit, established by the in the Implementation Monitoring and Evaluation Division of the Ministry of Planning, for carrying out the purposes of the Act and these Rules.

**"Dayworks"** means work carried out following the instructions of the Procuring Entity or the authorised project manager and is paid for on the basis of time spent by the Contractor's workers and equipment at the rates specified in the Bill of Quantities (BOQ), in addition to payments for associated Materials and Plant.

**"Defect"** is any part of the Works not completed in accordance with the Contract.

**"Defects Liability Period"** is the period named in the Contract and calculated from the Completion Date.

**"Force Majeure"** means an event or situation beyond the control of the Contractor, a Supplier or Consultant that is not foreseeable, is unavoidable, and its origins not due to negligence or lack of care on the part of the Contractor; such events may include, but not be limited to, acts of the Government in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

**"Intended Completion Date"** Rule 2(30) is the date on which it is intended that the Contractor shall complete the Works as specified in the Contract and may be revised only by the Project Manager by issuing an extension of time or an acceleration order.

**"Opening Committee"** Rule 2 (33) means a Tender Opening Committee (TOC) or a Proposal Opening Committee (POC) constituted under Section 6 of the Act.

**"Evaluation Committee"** Rule 2(22) means a Tender or a Proposal Evaluation Committee constituted under Section 7 of the Act

**"Multiple Dropping"** means submitting Tenders to more than one place as designated by the Procuring Entity.

**"Provisional sums"** means amounts of money specified by the Procuring Entity in the Bill of Quantities which shall be used, at its discretion, for payments to nominated Subcontractors and other purposes detailed in the Tender Documents.

**"Responsive"** means qualified for consideration on the basis of evaluation criteria so declared and specified in the Tender Document or in the request for Proposal Document.

**"Short-list"** means a list of Applicants deemed suitable to be invited to submit Proposals for intellectual and professional Services following the evaluation of Expressions of Interest.

**"Subcontractor"** is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract, which includes work on the Site.

**Chapter two** covers the tender preparations related documents, committees for opening & evaluation and so on issues in Rule 4 to 12. It has two parts. In part 1 it describes the tender preparation associated issues and in part 2 about different committees. Some of these are as below:

**In Rule 4 (3),** The Procuring Entity shall set out clearly the following information and conditions in the Tender or Proposal Documents:

- (a) the description of the Works and Physical Services to be carried out;
- (b) the drawings and location of the Works;

- (c) the description of the Goods and related Services to be supplied;
- (d) the location of delivery or installation;
- (e) the schedule for delivery and completion;
- (f) the minimum performance requirements;
- (g) the warranty, defects liability and maintenance requirements;
- (h) the currency(ies) the tenderers shall quote in the tenders and the applicable and the applicable date of its exchange rate;
- (i) the amount(s) and currency(ies) of Tender security and performance security;
- (j) the terms and mode of payment of the Contract price;
- (k) the presence or absence of Advance Payment, in line with the government orders and agreements with development partners;
- (l) the minimum insurance coverage; and
- (m) any other relevant terms and conditions.

**In Rule 4 (7)**, it described the Documents forming the Contract shall be in the following order of precedence, namely:

- (a) The signed Contract Agreement;
- (b) The Notification of Award;
- (c) The Tender and the appendices to the Tender;
- (d) Particular Conditions of Contract;
- (e) General Conditions of Contract;
- (f) Technical specifications;
- (g) General specifications;
- (h) Drawings;
- (i) Price Schedule and schedule of requirements for Goods or Priced Bill of Quantities or works;
- (j) Other Documents including correspondences.

**Rule 8 (4)** about the Tender Evaluation Committee (TEC). A Procuring Entity may, with the approval of the authorities form :

- (a) only one (1) Evaluation Committee to handle all the Procurement for that Procuring Entity, especially if that Procuring Entity handles only a limited number of Applications, Tenders or Proposals yearly or is capable of evaluating all its Procurement needs through that one (1) Evaluation Committee.



(b) more than one (1) Evaluation Committee, if it has many Procurement activities which need to be examined and evaluated at a particular point of time.

(c) a separate Evaluation Committee to evaluate a specific large value or complex Procurement Tender such as the supply, installation and commissioning of processing plants, or works of complex nature or communication technology.

(d) a separate Evaluation Committee, on as required basis, for any particular Procurement.

**Rule 8 (5)** describes about the TEC members. The Evaluation Committee members may be selected from:

(a) officers of the concerned unit of the Procuring Entity, namely Finance, Commercial and Technical Units.

(b) officers of the controlling office of administrative ministry or division or agency there under from the line Ministry or Division or other Agencies under them.

(c) officers from the end-user or beneficiary Entity. and

(d) officers experienced in technical, commercial, financial or legal matters from other Ministries or Divisions, Agencies, or experts from Universities or reputable professional bodies or specialists from the relevant fields in the case of the external members.

**Rule 10, Chair of the Evaluation Committee.** The Evaluation Committee shall be chaired by :

(a) an officer immediate below the rank of the Approving Authority, where the Approving Authority is at the level of a Project Director, Project Manager or an authorised officer as per the Delegation of Financial Powers at the regional, sub-regional, district; or upazila level.

(b) the Approving Authority at the upazila or other levels, where there may be no class I officer below the Approving Authority.

(c) an officer immediate below the rank of the Head of the Procuring Entity, where the Approving Authority is at the level of a Head of a Procuring Entity, or of the Chief Executive of a corporation, autonomous body or semi-autonomous body.

(d) the Head of the Procuring Entity or the Chief Executive where the Approving Authority is at the level of a Board of Directors or of a Ministry or the Cabinet Committee on Government Purchase (CCGP).

(e) an officer immediate below the Head of the Procuring Entity or the Chief Executive, if for any reason they are unable to chair a particular meeting of the Evaluation Committee.

(f) an officer immediate below the rank of a Secretary In the case of a Ministry's own Procurement where the Secretary is the Head of the Procuring Entity.

**Chapter three** covers Rule 13 to 60. It divided in to 12 parts and mostly describes about the principles of public procurement. The main issues of this chapter are as below:

- i) Procurement Planning and Selection of Procurement methods.
- ii) Forms of Communications.
- iii) Preparation of Procurement Plan.
- iv) Splitting of an Object of Procurement into More Than One Package.
- v) Competition in Procurement.
- vi) Determination of Validities.
- vii) Time Limit for Evaluation of Tenders and Proposals.
- viii) Tender Securities.
- ix) Extension of Validity of Tender Security.
- x) Verification of the Authenticity of Tender Security.
- xi) Forfeiture of Tender Security.
- xii) Return of Tender Securities.
- xiii) Performance Security.
- xiv) Procedure for Preparation of Technical Specifications.
- xv) Restrictions on the Disclosure of Information Relating to the Procurement Process.
- xvi) Rejection of all Tenders, Proposals or Quotations.
- xvii) Procurement Approval Procedure.
- xviii) Contract Administration and Management.
- xix) Termination of Contracts and Settlement of Disputes.
- xx) Maintaining Records of Procurement.
- xxi) Procurement Post Review.
- xxii) Non-discrimination.
- xxiii) Mandatory documents in support of Qualification of Persons.
- xxiv) Maintaining Lists of Qualified Potential Suppliers or Contractors.
- xxv) Appointment of a Subcontractor or a Sub consultant.
- xxvi) Joint Ventures.

xxvii) Submission of Complaints to the Administrative Authority, Disposal of Appeal.

xxviii) Formation of Review Panels.

xxix) Authority to Suspend Issuance of Notification of Award until resolution of Appeal and so on related issues.

**Chapter four** covers Rule 61 to 89 and describes about the methods of procurement for goods and related services, works, physical services and their use for national and international procurement. The mostly used procurement methods are open tendering method (OTM), limited tendering method (LTM), two-stage tendering method (TSTM), request for quotation (RFQ) method, direct procurement method (DPM). This chapter also discussed about the framework agreement, repeat orders, variation orders, force account applications and so on issues.

The force account clause in section 82 described that the Force Account may be used for hiring of direct labour for departmental needs in the value and annual aggregate amounts that specified in Schedule II and the maximum amount is 200,000.00 ( two hundred thousand) in each case. Materials, tools and rental of additional equipment required to perform departmental Works under Force Account may be procured using other procurement methods such as RFQ or Direct Contracting.

**Chapter five** covers Rule 90 to 102 and describes about the procurement processing. The main issues described under chapter five are: advertisement procedures, pre- qualifications of the tenderers, Issuance and Sale of tender document, pre-tender meeting, modifications to tender documents, preparation and submission of tenders, tender opening formalities, tender evaluation procedures, Post-Qualification, Approval Process and Notification of Award and Signing of Contract issues.

In Rule 99 of this chapter, it has been described about the “**No Negotiation or Tender Modification as a Pre-condition for Award**”. The detailed are as below:

1) No negotiations shall be held during the Tender Evaluation or award with the lowest or any other Tenderer except under

(a) the Direct Procurement Method: or

(b) in the case of a Procurement of divisible commodity in bulk such as food grains, sugar, cooking oil, fuel, animal feed, fertilizer etc., and subject to a provision in the invitation for Tender for supply of a partial quantity of any such commodity then:

- i) if the lowest responsive Tenderer does not submit a Tender for the entire quantity of commodity specified in the Tender, first of all, the lowest Tenderer may be given an offer to supply the entire quantity for which the tender was invited at its quoted price.
- ii) in case it expresses its inability to supply the entire quantity, supply of the reduced quantity it tendered shall be obtained from it, and
- iii) offerings for Procurement of the balance quantity may be made to Tenderers in turn to the second, the third and, other next responsive Tenderers as deemed appropriate at the price quoted by the lowest responsive Tenderer, provided that under no circumstances shall negotiations be held to change the lowest responsive price and that the total quantity to be procured following the provisions of this Rule shall not exceed the quantity for which the original Tender was invited.
- (c) it is found that the lowest evaluated Tender is significantly higher than the official estimate the Procuring Entity will investigate the reasons for the higher price and may negotiate with the lowest evaluated Tenderer with objective to reduce the Contract price by reducing the scope of works or a reallocation of risks and responsibility. which can be reflected in a reduction of the contract price.

**Chapter six** covers Rule 103 to 126 and describes about the methods and procedures for the procurement of intellectual and professional services. The preferred two options for selection of Consultants are a) Quality & Cost Based Selection (QCBS) and b) Selection under a Fixed Budget (SFB). Other methods are a) Least Cost Selection (LCS), b) Selection Based on Consultants Qualifications (SBCQ), c) Selection amongst Community Service Organisations (CSOs), Single Source Selection (SSS), Selection of Consultants by a Design Contest (DC) as well as Selection of Individual Consultants.

**Rule 117 (3)** described about the consist of Request For Proposal (RFP) as follows:

- Letter of Invitation (LOI) including the short-list.
- Instructions to Applicants or Consultants (ITA or ITC) as the case may be.
- Proposal Data Sheet (PDS).
- General Conditions of Contract (GCC).
- Particular Conditions of Contract (PCC).
- Standard Contract Form.
- Terms of Reference (TOR). and
- Appendices.

This chapter also described in relation to the processing of the expression of interest, Opening of Expressions of Interest, Assessment of Expressions of Interest and Approval of Short-List, Preparation of the Terms of Reference (TOR), Preparation and Issue of Request for Proposal (RFP) Document, Submission and Opening of Proposals, Evaluation of Technical Proposals, Evaluation of Financial Proposals, Negotiations, Failure of Negotiations and Rejection of All Proposals, Approval Process, Signing of Contract and so on matters.

**Chapter seven** covers Rule 127 describing professional misconduct and offences concerning to the procurement procedures and carrying out of contracts. Strict compliance will be ensured by the procuring entity and persons in the midst of the provision of Section 64 of PPA 2006. All members relating to the procurement processes are to abide by the code of ethics and will not be engaged to corrupt, fraudulent, collusive and coercive practices. Procuring Entity's staff member or person relates to the procurement committing offence connected to professional misconduct, shall be dealt in accordance with the Section 64 (3) and (4) of PPA 2006 and as per Anti-Corruption Commission Act 2004.

**Chapter eight** covers Rule 128 describing e-Government Procurement (e-GP) as follows;

- 1) For carrying out the purposes of the Act, any or all government procurement may be undertaken using electronic processing systems following the principles governing e-GP as prescribed by the Government.
- 2) In case of procurement following e-GP, should there be any conflict between the provisions of the e-GP rules and the provisions of these rules, then e-GP shall prevail.

**Chapter nine** covers Rule 129 and 130 describing miscellaneous issues like:

**Concession contracts provisions:** Build Own Operate (BOO), Build Operate Transfer (BOT), Built Own Operate Transfer (BOOT). The concessionaire or entrepreneur under the BOO/BOT/BOOT or similar type of Contract shall normally be selected under Open Tendering, which may include several stages in order to arrive at the optimal combination of evaluation criteria, such as the cost and magnitude of the financing offered, the performance specifications of the facilities offered, the cost charged to the user or purchaser, other income generated by the facility, and the period of the facility's depreciation.

**Responsibilities of the Government:** The Government ensure their responsibilities through the Central Procurement Technical Unit (CPTU) under Implementation Monitoring and Evaluation Division (IMED). One of the major responsibility is to Standard Tender Documents (STDs) for works, goods and services separately and to ensure its implementation in line with the PPA 2006 and PPR 2008 by monitoring and evaluation.

### **2.3.3 Schedules under PPR 2008**

There are 14 (fourteen) schedules in PPR 2008 which described specific issues like; specified standard tender documents, time requirements, value of actions, procurement processing, approval timeframe and so on issues. The main contents of the **14 schedules** are as below:

Schedule I: List of Standard Tender Documents (STDs)

Schedule II: Specific time, value etc

Schedule III: Procurement Processing and Approval Timetable

Schedule IV: Procurement Processing and Approval Procedure for Goods or Works

Schedule V: Total Procurement Plan for Development Project / Programme

Schedule VI: Format for Reporting Contract Award

Schedule VII: Notification of Award

Schedule VIII: Records of Procurement to be maintained by a Procuring Entity

Schedule IX: Consultant Conflicts of Interest: Range of Possible Cases

Schedule X: Invitation for Enlistment

Schedule XI: Request for Expressions of interest (Firm)

Schedule XII: Tender Submission Form

Schedule XIII: The Code of Ethics for Public Procurement

Schedule XIV: Sample Chart of Procurement Proposal for Cabinet in Committee for Government Procurement ( CCGP)

The above schedules are the mandatory requirements for the preparation and implementation of procurement process.

## **2.4 Review of IDA Procurement Guidelines**

The Government of Bangladesh is implementing the IDA (International Development Association) assisted Second Rural Transport Improvement Project (RTIP II) through Local Government Engineering Department (LGED) with a view to improve the rural infrastructure which has a far-reaching contribution to the alleviation of poverty. The RTIP II is the follow-up of RTIP project which has been completed on October 2012.

### **2.4.1 International Development Association (IDA)**

The IDA is an international financial institution which is a member of the World Bank Group that offers concessional loans and grants to the world's poorest developing countries. Together, the International Development Association and International Bank for Reconstruction and Development are collectively generally known as the World Bank. The IDA's stated aim is to assist the poorest nations in growing more quickly, equitably, and sustainably to reduce poverty. The IDA is the single largest provider of funds to economic and human development projects in the world's poorest nations. From 2000 to 2010, it financed projects which recruited and trained 3 million teachers, immunized 310 million children, funded \$792 million in loans to 120,000 small and medium enterprises, built or restored of 118,000 kilometers of paved roads, built or restored 1,600 bridges, and expanded access to improved water to 113 million people and improved sanitation facilities to 5.8 million people.

The World Bank works to ensure that procurement in Bank-financed projects and programs is conducted in accordance with its Articles of Agreement, which require that loan proceeds are used only for the purposes for which the loan, grant, or credit was granted. The Procurement Policy and Services Group of the World Bank is charged with providing the Policy and Guidance necessary to carry out this mandate for the Bank's operational clients. The Bank gives equal importance to supporting the management and reform of public procurement systems in borrower countries. Increasing the efficiency, fairness, and transparency of the expenditure of public resources is critical to sustainable development and the reduction of poverty.

RTIP II project is implementing under IDA credit and the procurement policies are using by the World Bank provided guidelines named "PROCUREMENT OF GOODS, WORKS, AND NON-CONSULTING SERVICES UNDER IBRD LOANS AND IDA CREDITS & GRANTS BY WORLD BANK BORROWERS". The bank suggested a number of methods for the procurement of works on the basis of agreed threshold mentioned in the procurement plan in loan agreement under bank financed projects.

## **2.4.2 IDA suggested procurement method**

The methods which bank suggested are briefly described below:

### **2.4.2.1 International Competitive Bidding (ICB)**

The ICB is generally used for the large volume of contracts. The objective of International Competitive Bidding is to provide all eligible prospective bidders with timely and adequate notification of a Borrower's requirements and an equal opportunity to bid for the required goods, works, and non-consulting services. The most common types of contracts provide for payments on the basis of a lump-sum, unit prices, reimbursable cost plus fees, or combinations thereof. Reimbursable cost contracts are acceptable to the Bank only in exceptional circumstances such as conditions of high risk or where costs cannot be determined in advance with sufficient accuracy. Such contracts shall include appropriate incentives to limit costs. The size and scope of individual contracts will depend on the magnitude, nature and location of the project. For projects requiring a variety of goods and works, separate contracts generally are awarded for the supply and/or installation of different items of equipment and plant and for the works.

This sections also covers about the two-stage bidding process, notification and advertisement, prequalification of bidders, bid validity, bid security, use of standards and brands, pricing & price adjustment, transportation & insurance, bid currency, terms of payment, condition of contract, performance security, retention money, liquidated damages & bonuses, force majeure, applicable law and settlement of disputes, confidentiality and so on related issues.

**IDA suggested other methods for procurement processes are as below:**

- 1) Limited International Bidding (LIB)
- 2) National Competitive Bidding (NCB)
- 3) Shopping
- 4) Framework Agreements
- 5) Direct Contracting
- 6) Force Account
- 7) Procurement from United Nations Agencies
- 8) Procurement Agents and Construction Managers
- 9) Inspection Services
- 10) Procurement in Loans to Financial Intermediary Institutions and Entities
- 11) Procurement under Public Private Partnership (PPP) Arrangements



- 12) Performance Based Procurement
- 13) Procurement under Loans Guaranteed by the Bank
- 14) Community Participation in Procurement
- 15) Use of Country Systems

The other major methods are discussed below:

#### **2.4.2.2 Limited International Bidding (LIB)**

Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where there is only a limited number of suppliers or other exceptional reasons may justify departure from full ICB procedures. Under LIB, Borrowers shall seek bids from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures shall apply, including the publication of the award of contract.

#### **2.4.2.3 National Competitive Bidding (NCB)**

National Competitive Bidding (NCB) is the competitive bidding procedure normally used for public procurement in the country of the Borrower, and may be the most appropriate method of procurement of goods, works, and non-consulting services which, by their nature or scope, are unlikely to attract foreign competition. NCB may be the most appropriate method of procurement where foreign bidders are not expected to be interested because of the size and value of the contract, works are scattered geographically or spread over time, works are labor intensive, or the goods, works, and non-consulting services are available locally at prices below the international market. NCB procedures may also be used where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.

#### **2.4.2.4 Shopping**

Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods), from several contractors (in the case of civil works), or service providers (in the case of non-consulting services) with a minimum of three, to assure competitive prices, and is an appropriate method for procuring limited quantities of readily

available off-the-shelf goods or standard specification commodities of small value, or simple civil works of small value when more competitive methods are not justified on the basis of cost and efficiency. Requests for quotations shall indicate the description and quantity of the goods or specifications of works, as well as desired delivery (or completion) time and place. Quotations may be submitted by letter, facsimile, or by electronic means. The evaluation of quotations shall follow the same principles as of open bidding. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

#### **2.4.2.5 Framework agreement (FA)**

A Framework Agreement (FA) is a long-term agreement with suppliers, contractors and providers of non-consulting services which sets out terms and conditions under which specific procurements (call-offs) can be made throughout the term of the agreement. FAs are generally based on prices that are either pre-agreed, or determined at the call-off stage through competition or a process allowing their revision without further competition. FAs may be permitted as an alternative to the Shopping and NCB methods for: (a) goods that can be procured off-the-shelf, or are of common use with standard specifications; (b) non-consulting services that are of a simple and non-complex nature and may be required from time to time by the same agency (or multiple agencies) of the Borrower; or (c) small value contracts for works under emergency operations.

#### **2.4.2.6 Direct Contracting**

Direct contracting is contracting without competition (single-source) and may be applicable on the circumstances that;

- a) an existing contract for goods, works, and non-consulting services, awarded in accordance with procedures acceptable to the Bank, may be extended for additional goods, works, and non-consulting services of a similar nature. The Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable.
- b) standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original Supplier.
- c) the required equipment is proprietary and obtainable only from one source;
- d) the procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment or plant or facility;

- e) in exceptional cases in response to natural disasters and emergency situations declared by the Borrower and recognized by the Bank; and
- f) in circumstances that are in accordance with the provisions for procurement from UN Agencies.

#### **2.4.2.7 Force Account**

Force Accounts are works such as construction and installation of equipment and non-consulting services carried out by a government department of the Borrower's country using its own personnel and equipment, may be the only practical method of procurement under specific circumstances. The use of Force Account requires that the Borrower sets maximum aggregate amounts for the use of Force Account, to which the Bank shall give its no objection, and applies the same rigorous quality checks and inspection as for contracts awarded to third parties. Force Account shall be justified and may only be used after Bank no objection, under any of the following circumstances:

- i) quantities of construction and installation works that are involved cannot be defined in advance, ii) construction and installation works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices,
- iii) construction and installation works are required to be carried out without disrupting ongoing operations.

As per section 3(d) of PPA 2006, "the procurement of goods, works or services under a loan, credit or grant agreement or under any other agreement between the Government and any development partner, foreign country or organisation, provided that if there is anything otherwise contained in the terms and conditions of such agreement, the provisions of that agreement shall prevail". Therefore, for donor funded project, their prescribed guidelines are used in the procurement process and these may be customised with the both parties agreement.

## **2.5 Procurement practices in LGED**

### **2.5.1 Procurement for GoB funded projects**

LGED is the public sector construction agency in Bangladesh. LGED spent a total amount of BDT 8,264.91 crore on development programs in FY 2012-13, which constitutes 21.40% of the Government's total annual development outlay. It is obligatory for LGED as a Government sector organization to comply with the PPA 2006, PPR 2008 for the procurement under GoB fund. The "Important Rural Infrastructure Improvement Project on priority basis (IRIDP)" is fully GoB funded. Therefore, it is obligatory to carry out the procurement process in line with the PPA 2006 and PPR 2008. LGED is now using e-GP systems as well as some manually processing system for the procurement of most of the works.

### **2.5.2 Procurement for Donor financed projects**

As per section 3(d) of PPA 2006, "the procurement of goods, works or services under a loan, credit or grant agreement or under any other agreement between the Government and any development partner, foreign country or organisation, provided that if there is anything otherwise contained in the terms and conditions of such agreement, the provisions of that agreement shall prevail". Therefore, for donor financed project, their prescribed guidelines are used in the procurement process. The "Second Rural Transport Improvement Project (RTIP-II)" is IDA financed project and IDA (world bank) issued guidelines used for the procurement under this project.

### **2.5.3 Procuring Entities (PEs) and Approving Authority (AAs) at LGED**

Procuring Entities in LGED are functioning at different levels. The Chief Engineer of LGED is the Head Of Procuring Entity (HOPE) and he delegates financial power and power to next lower tiers to the Project Director, Executive Engineer and Upazila Engineer level.

There are six approving authority levels for the procurement under LGED. These are Cabinet Committee on Government Purchases (CCGP), Ministry of Local Government Rural Development & Co-operatives (MLGRD&C), HOPE and three categories of Project Directors (PDs). The Project Director categories are determined on the basis of value of the project. The category-A valued at more than BDT 50 crores, The category-B BDT 20-50 crores and category-C valued less than BDT 20 crores.

Approving authority level wise maximum limits for the procurement of works, goods and services are described below;

- 1) The CCGP approves contracts those value more than BDT 50 crores for works & goods contracts and more than 10 crores for consulting services.
- 2) The MLGRD&C approves BDT 14- 50 crores for works, BDT 10-50 crores for goods and BDT 4-10 crores for consulting services contracts.
- 3) The HOPE approves BDT 8-14 crores for works, BDT 4-10 crores for goods and BDT 2-4 crores for consulting services.
- 4) The Project Director approves up to BDT 8 crores works, up to BDT 4 crores for goods and up to BDT 2 crores for consulting services contracts.
- 5) The HOPE i.e the Chief Engineer of LGED delegates power to district level Executive Engineer for approving contracts valued up to BDT 4.0 crores for those where the contract value is within the estimated cost.

There are also Upazila Engineers, who are working as PE at the upazila level for the school building construction under LGED as well as for those works which are allocating under Annual Development Programme(ADP).

## **2.6 Review of the Development Project Proposal ( DPP)**

### **2.6.1 General**

A development project proposal (DPP) is the document defining the project and its subsequent implementation guidelines. The DPP consists of a project summary and a project details with necessary annexures, attachment and appendices.

The summary of the DPP consisting of 13 points describing key features of the proposed project including project title, sponsoring ministry/division, executing agency, project objectives, project location, estimated cost of the project, mode of financing with source, project implementation period, components and estimated cost summary, institutional arrangements, year wise physical & financial targets and so on issues.

The project details comprising of background, Objectives, Rationale, Linkages, Targets,

Outputs/Outcomes, findings of feasibility study, Specification / Design of major components, Briefly describing the effect/impact, participation of Government. or private sectors, rehabilitation/resettlement issues, governance, sustainability and so on issues.

### **2.6.2 Review of DPP of GoB funded IRIDP Project**

The “Important Rural Infrastructure Improvement Project on priority basis (IRIDP)” is a fully GoB funded project. The total budget of this project is BDT 4892.84 crores and duration is 2010 to 2015. This project has been organized in line with the strategy for the improvement of rural infrastructures. The provisions have been made under this project to improve the important rural roads and structures on upazila, union as well as on village road (bridge/culvert), rural market, boat landing ghat and tree plantation. The target of the project is to improve the 8470 km rural (Upazila road 1000 km, union road 2370 km and village road 5100 km) transport network, construction of 71500 m Bridge/Culvert, develop 150 nos. rural markets, 25 nos. boat landing ghat. Proposed development works will improve rural access by developing a better network connecting roads to the markets and other public places. As results, people can move easily from one place to other destination as well as the farmers and producers will be able to get the right price of their products for better marketing facilities. The project also will generate employment opportunities that will help to reduce and alleviate poverty (DPP, IRIDP).

### **2.6.3 Review of DPP for IDA financed RTIP II Project**

The Government of Bangladesh is implementing the IDA assisted Second Rural Transport Improvement Project (RTIP-II) through Local Government Engineering Department (LGED) in 26 districts over the country with a view to improve the rural infrastructure which has a far-reaching contribution to the alleviation of poverty. Total budget of the project is BDT 3343.04 crores and duration of the project is 2012 to 2017.

The **primary objective** of the project is to improve rural accessibility in project areas and strengthen institutional capacity for sustainable rural road maintenance. The **specific objectives** are:

- Improve rural accessibility and enhance sustainability.
- Create employment opportunities for the rural poor including destitute women.
- Create facilities to provide cheap, efficient and demand responsive rural transportation system.

- Promote good governance and efficient delivery of rural infrastructure.
- Improve sectoral governance of the maintenance.
- Undertake pilot dredging and silt removal activities to revive the secondary water ways.
- Assist LGED to implement the Institutional Development Plan.
- Undertake road safety activities.
- Build the capacity of the Market Management Committee and Market Users.

**Major components of the RTIP II project are:**

- Improvement of 750 km Upazila roads and 500 km Union roads.
- Rehabilitation and periodic maintenance of about 3,550 km of Upazila and Union roads.
- 450 km roads for five Performance Based Maintenance Contracts (PBMC).
- River infrastructure (ghats, jetties) at about 20 locations.
- 50 Growth Center Markets (GCMs).
- Rural Transport Safety.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter illustrates the methodology used in support of the research works for the procurement process of LGED under GoB and donor financed projects. The major area covers here are research strategy, research design, qualitative & quantitative research, study area, population, sample size determination, questionnaire development, testing the reliability and validity of questionnaire, timeframe of primary and secondary data collection & research work and data processing & analysis.

### **3.2 Research strategy**

Objectives of the research are questioned by the research strategy and these may be quantitative or qualitative research by which primary and secondary data are being collected. The quantitative approach is used to collect factual information from the existing works & reports, but the qualitative approach seek to gain insights as well as it used to realize people's perception on the topics. In this research, the qualitative approach used to collect primary data through questionnaire survey as well as we use quantitative approach to collect secondary data from the project offices and files.

### **3.3 Research design**

The research design refers to the planning and organisation of the research as well as data collection and analysis. The main area covers are objective settings, literature review, involving the PEs, research questionnaire development and distribution, data collection, data analysis, conclusion and recommendation.

### **3.4 Qualitative and Quantitative research**

This organized to collect data using both qualitative and quantitative tools. The primary data collected qualitative research approach by questionnaire survey as well as by key informant interview (KII) processes and the secondary data collected by reviewing the records and files stored in the offices.



### 3.5 Study area

The study areas are limiting to two project offices at head quarter level and two district offices for field level data collection. The field areas are selected Munshiganj and Comilla district where both the GoB funded IRIDP project and IDA financed RTIP II project are being implementing. The IRIDP project is now running in 5<sup>th</sup> year and the RTIP II project running in 3<sup>rd</sup> year.

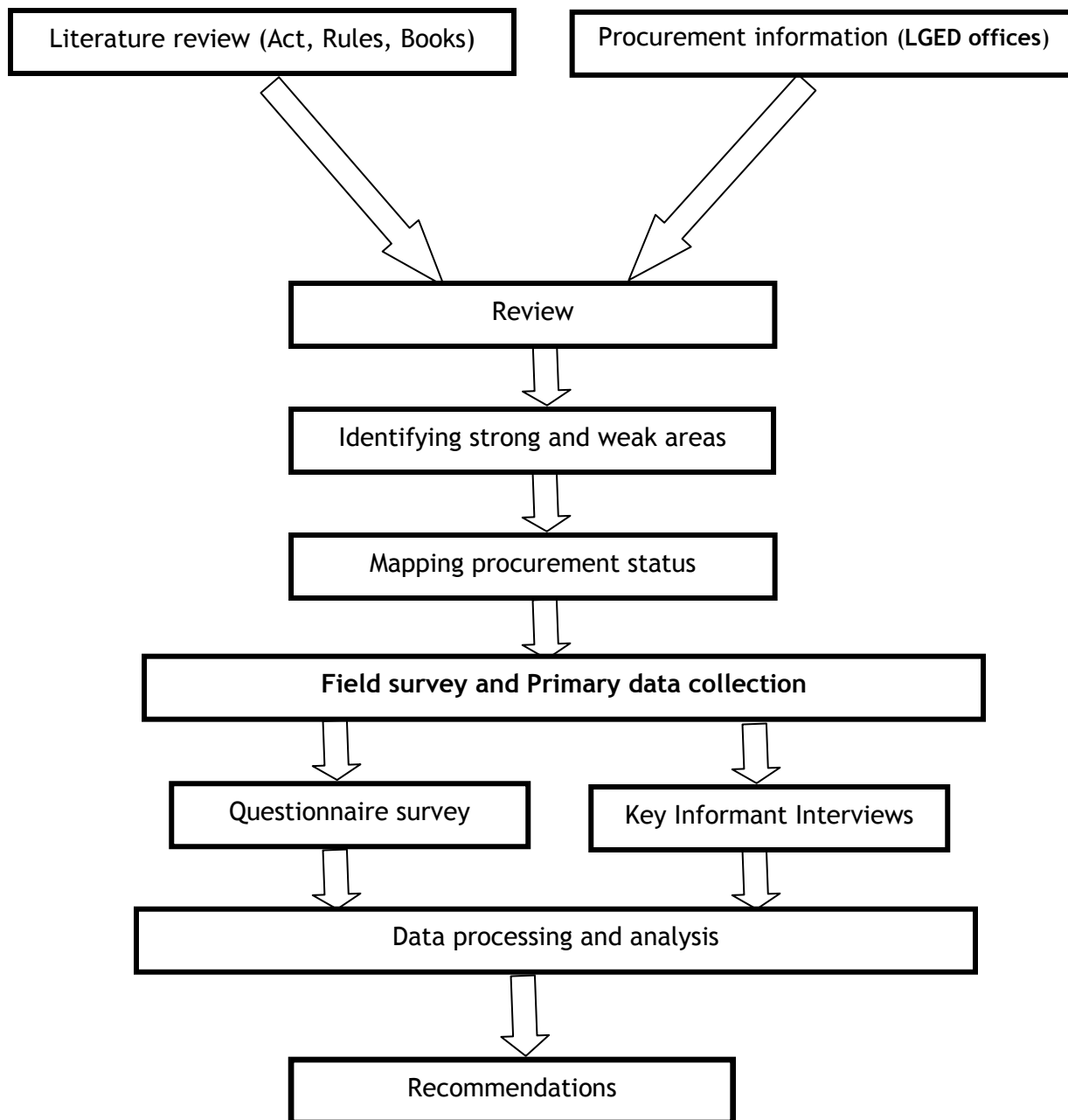


Figure 2: Research Methodology Flow Chart

### **3.6 Population and sample size determination**

The GoB funded “Important Rural Infrastructure Improvement Project on priority basis (IRIDP)” is implementing in all over the country in all 64 districts and the IDA financed RTIP II is implementing about half of the country’s geographic areas in 26 districts under LGED. Till now, a total 10612 schemes for infrastructural development like bridge/culvert construction, road improvement, market, and ghat/jetty development have been taken under IRIDP. On the other hand, a reasonable nos. of schemes under RTIP II projects is ongoing. The population size is large, 2 project director’s offices relevant staffs, all 64 executive engineers, senior assistant engineers, assistant engineers, all upazila engineers as well as concerned contractors and relevant stakeholders. I, therefore, conducted studies on some contracts of 2 districts: Munshiganj and Comilla; for these 2 projects. Thus, for questionnaire survey, a total of 40 Key Informant Interviewers are; 2 Project Directors, 4 Deputy Project Directors, 2 District Executive Engineers, 6 Senior Assistant Engineers, 8 Upazila Engineers, 8 Assistant Engineers, 2 Consultants, 8 Contractors and relevant personnel. The secondary data collected from the office files and recorded statistics. To collect the secondary data it has been selected 20 contracts from IRIDP Project and 20 contracts from RTIP II Project. The data collected on random sampling basis among the LGED officials in different grades and levels from head office as well as from field offices.

### **3.7 Questionnaire development**

The questionnaire has been developed on the basis of KPIs as described in the PPA 2006 and PPR 2008 for GoB funded IRIDP project as well as IDA’s guidelines directions for the RTIP II projects which influences the cost, quality, time, operations and so on related issues. Both closed and open ended questions were devised to reveal the convincing insight of the respondents. A 5-point ranges was set to assess the responses against KPIs.

### **3.8 Testing the reliability and validity of questionnaire**

Questionnaire was testing by piloting on limited numbers of potential respondents to validate before finalisation. The test carried out by distributing drafts questionnaire to project director, executive engineer, senior assistant engineer and contractor. The test made possible to eliminate items that were not useful to produce effective data. The Piloting process also facilitated to evaluate the adequacy of the research design as well as assisted to unite the instruments to be used for data collection.

### **3.9 Data collection timeframe**

For conducting study, data were collected through qualitative and quantitative research methods during september to October 2014. The primary data were collect through questionnaire survey as well as by key informant interviews (KII) to Project Directors, Executive Engineer, Senior Assistant Engineer, Assistant Engineer and contractors. The secondary data were gathered from the files and records of concerned offices.

### **3.10 Data processing and analysis**

The collected data were recorded in hard copy and then stored electronically. After collecting the raw data by questionnaire survey, KII as well as by file review, then these data were analysed and processed by using computer softwares; excel, spreadsheet and so on related packages and finally presented in tabular form.

## CHAPTER FOUR: FINDINGS AND DATA ANALYSIS

### 4.1 Introduction

The primary objective of the research was to find out the successful procurement management practices of Local Government Engineering Department (LGED) for works procurement under IDA and GoB funded projects. There also some specific objectives to study the effectiveness of procurement arrangement as well as factors affecting the procurement practices and suggestions for further enhancement of the procurement systems. To conduct the research, a questionnaire survey carried out for quantitative analysis to collect primary data from 40 respondents, of them; 2 Project Directors, 4 Deputy Project Directors, 2 District Executive Engineers, 6 Senior Assistant Engineers, 8 Upazila Engineers, 8 Assistant Engineers, 2 Consultants and 8 Contractors. A Key Informants Interview survey also conducted to collect more qualitative and fact findings data to assess the hindrance and barriers for the procurement systems. Secondary data also collected from project files and stored documents randomly choosing 40 contracts; 20 from IDA funded RTIP II project and 20 from GoB funded IRIDP project.

### 4.2 Back ground of the LGED officials

Work experience of the LGED respondents in the questionnaire survey are 8 to 25 years in the field of procurement practices. The length of services of the LGED respondents as procurement practitioner are shown in table 1 below:

**Table 1: Procurement service length of LGED officials**

Respondents length of services as procurement practitioner (Years)	Numbers	Percentage (%)
below 10	2	7
10-15	12	40
15-20	11	37
Above 20	5	17
Total=	30	100

All 30 LGED respondents acquired minimum graduation in engineering. Among them, 8 completed masters in engineering and 12 have graduation with MBA which shown in table 2 below:

**Table 2: Educational qualifications of the respondents**

Educational qualification	Numbers	Percentage (%)
B. Sc. Engineering	10	33
B. Sc. Engineering with MBA	12	40
M. Sc. Engineering	8	27
Total=	30	100

### 4.3 Analysis of the quantitative primary data

The questionnaire contains 22 questions. Out of these, 20 were closed questions and 2 open ended. To assess the effectiveness of the procurement course of actions of LGED with reference to the IDA procurement guidelines as well as in compliance with the PPA 2006 & PPR 2008, the questionnaire survey data taken from 30 respondents. The collected data are analysed in the subsequent sections:

**Procurement method:** it was asked to the respondents about types of Procurement methods used for the works procurement. Responses of the respondents for the procurement of works under IDA and GoB financed projects are shown in table below (**PPR 2008; Rule-61,63,65,69,74**):

**Table 3: Distribution of procurement methods**

Procurement methods used	IDA financed project	GoB project
Open Tendering Method (OTM)	90%	80%
Limited Tendering Method (LTM)	-	10%
Two Stage Tendering Method (TSTM)	-	-
Request For Quotation (RFQ)	10%	10%
Direct Procurement Method (DPM)		

the above table 1, it is observed that, for the IDA financed projects 90% of the schemes are procured through open tendering method and only 10% by RFQ process. On the other hand, 80% schemes are implementing through opened tendering method, only 10% in LTM process and 10% by RFQ. The open tendering method is more competitive bidding process and LGED is ensuring more participations by keeping the participation open to all.

**Procurement processing system:** it was asked the respondents about the Procurement processing systems whether manually or e-GP system. Responses of the respondents in this regards are shown in table below **(Rule-128):**

**Table 4: Distribution of procurement processing system**

Procurement process	IDA project	GoB Project
Manual paper work system	3%	2%
e-GP system	97%	98%

From the above table 2, it is found that almost all cases procurement are done through e-GP systems and a few cases it is done by manual processing for both IDA and GoB financed projects. The respondents opined that only some request for quotations are made through manual procurement process. The e-GP system is more sophisticated, reliable, time bound, consistent as well as speedy.

**Knowledge and skills of TOC and TEC:** it was asked the respondents about Knowledge and Skills of the Tender Opening Committee(TOC) and the Tender Evaluation Committee (TEC) members in Procurement processing. Responses of the respondents in this regards are shown in table below:

**Table 5: Knowledge and skills of TOC and TEC**

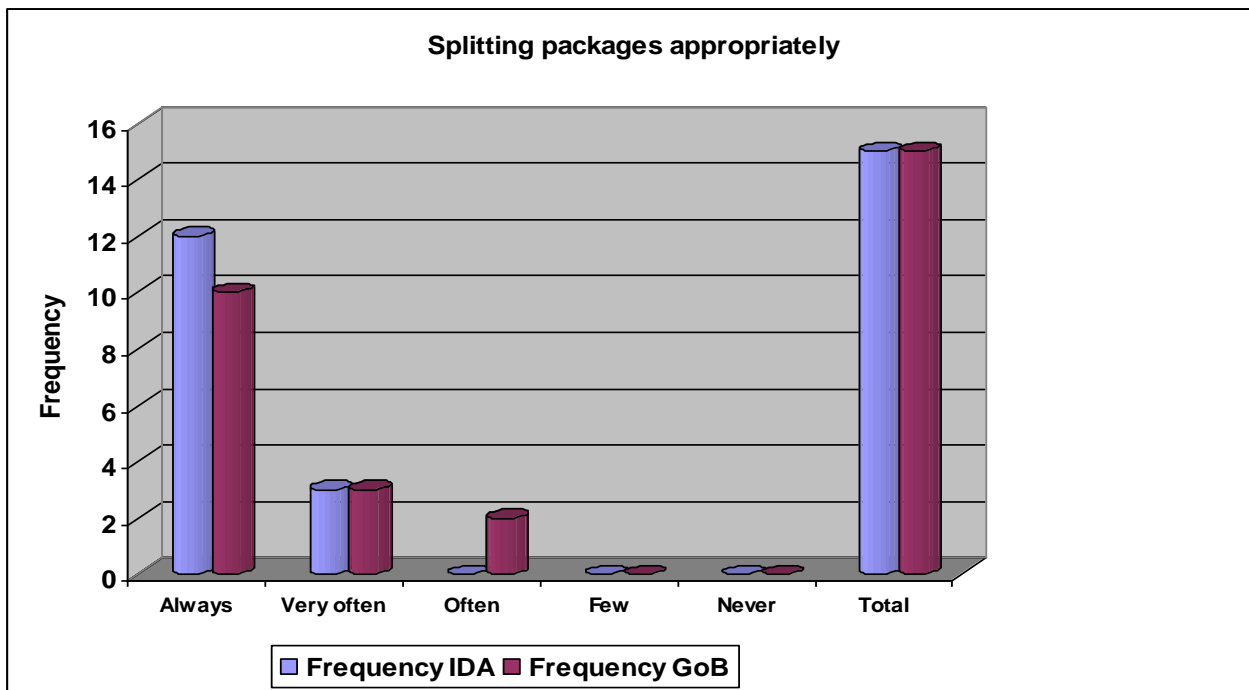
Knowledge and skills	Very good	good	average	below average	poor	Total
Frequency	13	15	2	0	0	30
Percentage (%)	43	50	7	0	0	100

From the above table 3, it is observed that 50% of the respondents opined that members of the TOC and TEC has good knowledge and skills about tender opening and evaluation process. 43% opined about very well, 7% opined average and no respondents comments below average or poor standards.

**Packages and size of the procurement:** it was asked the respondents about splitting the packages and the applicability of the Procurement methods considering the nature and size of the Procurement. Responses of the respondents in this regards are shown in table below **(Rule-17):**

**Table 6: Splitting the packages on nature and size of the procurement**

Splitting packages appropriately	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	12	10	80%	67%
Very often	3	3	20%	20%
Often	0	2	0%	13%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



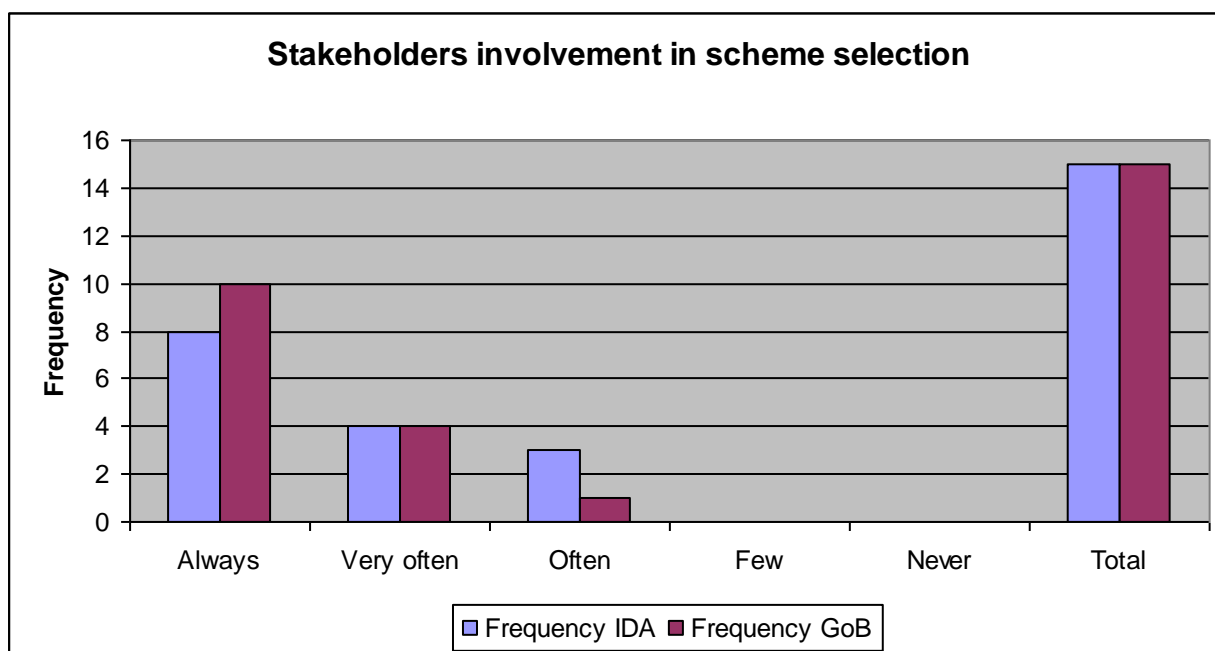
**Figure 3: Splitting packages**

From the above table 4 and chart 3, it is found that 80% of the IDA schemes and 67% of GoB schemes splitted packages appropriately as per Rule 17 of PPR 2008. Very often splitted 20% both of the IDA and GoB works but only 13% GoB funded these splitted oftenly.

**Stakeholder involvement in scheme selection process:** it was asked respondents about the extent of relevant stakeholders are being involved for scheme selection process. Responses of the respondents in this view are shown in table below:

**Table 7: Stakeholder involvement in scheme selection process**

Stakeholders involve in scheme selection process	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	8	10	53%	67%
Very often	4	4	27%	27%
Often	3	1	20%	7%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



**Figure 4: Stakeholder involvement in scheme selection process**

In the above table and chart, it is observed that most of the cases stakeholders are involved in scheme selection processes which positively affected in the implementation and contract management.

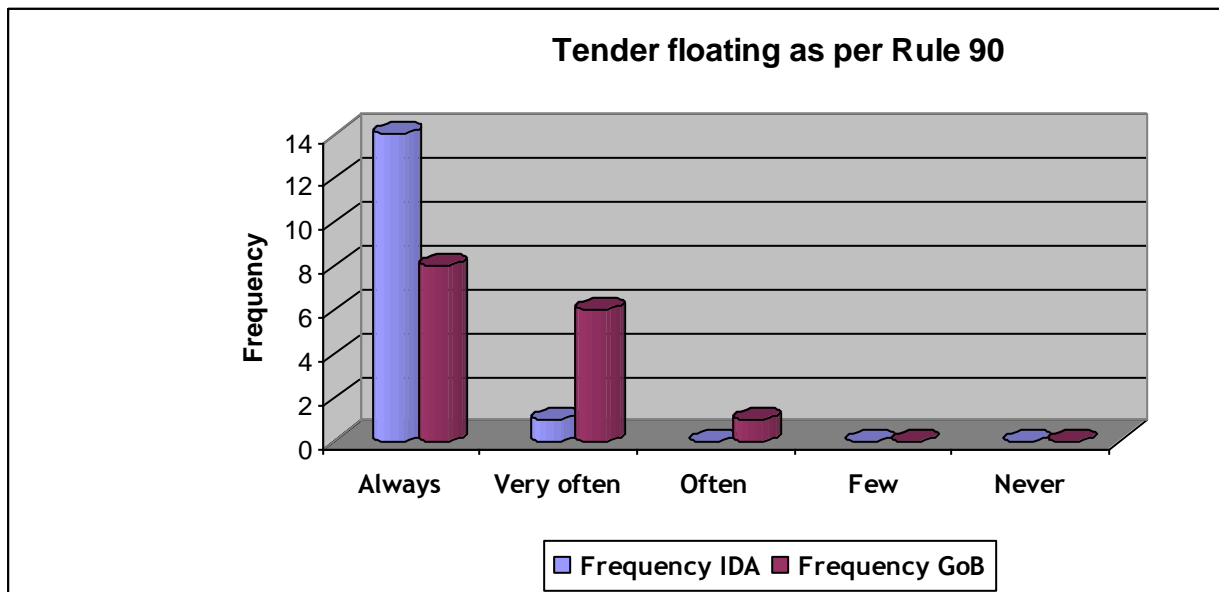
**Tender floating:** it was asked respondents about the extent of Procuring Entities float tender of their Procurement requirements which only listed in the annual procurement plan in accordance



with relevant guidelines publishing in Newspaper, Website maintaining time frame. Responses of the respondents in this view are shown in table below (**Rule 90**):

**Table 8: Tender floating as per annual procurement plan**

Tender float as per Rule 90	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	14	8	93%	53%
Very often	1	6	7%	40%
Often	0	1	0%	7%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



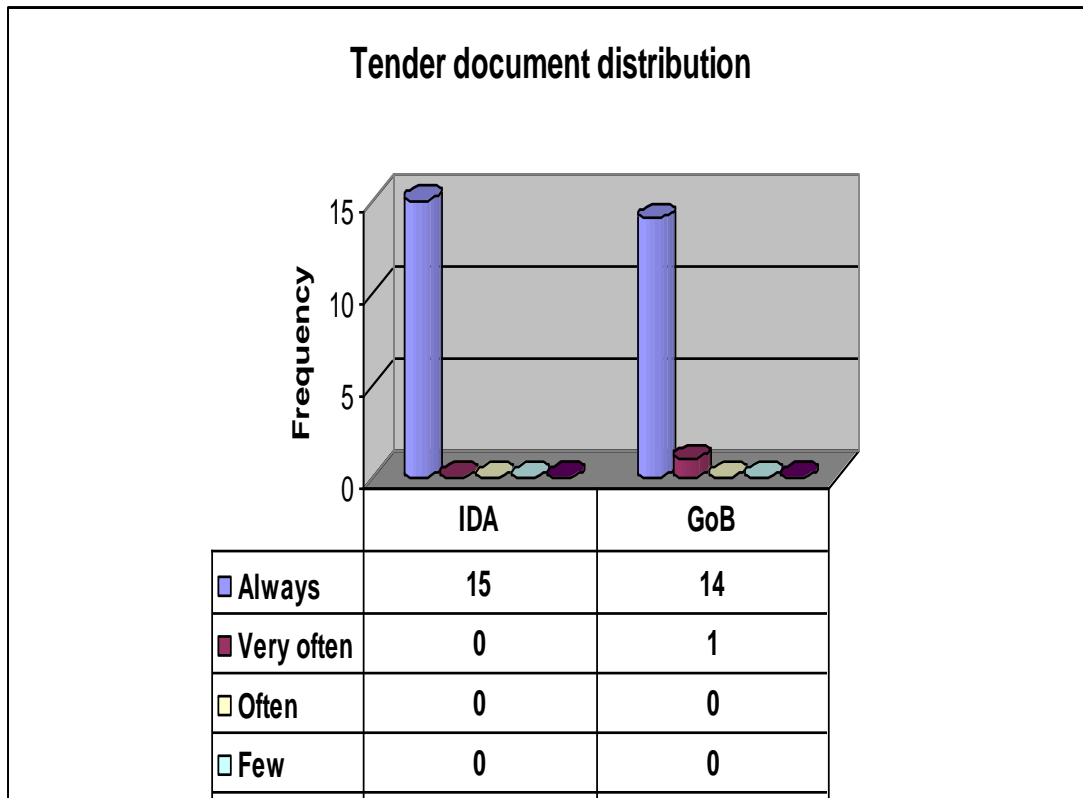
**Figure 5: Tender floating as per annual procurement plan**

From the above table and figure, it is found that most of the cases for IDA project, tender float as per procurement plan maintaining all necessary formalities like; publications in news papers, keeping sufficient time and so on related issues, but for GoB funded IRIDP project it is slightly behind than IDA funded RTIP II project.

**Tender document distribution:** it was asked respondents about ensuring fair competition in tendering process arranging pre-ender meeting, distributing tender documents to all

concern places on time and sell as per requirements of the tenderers. Responses of the respondents in this regards are shown in table below (Rule 18):

**Table 9: Tender document distribution**



**Figure 6: Tender document distribution**

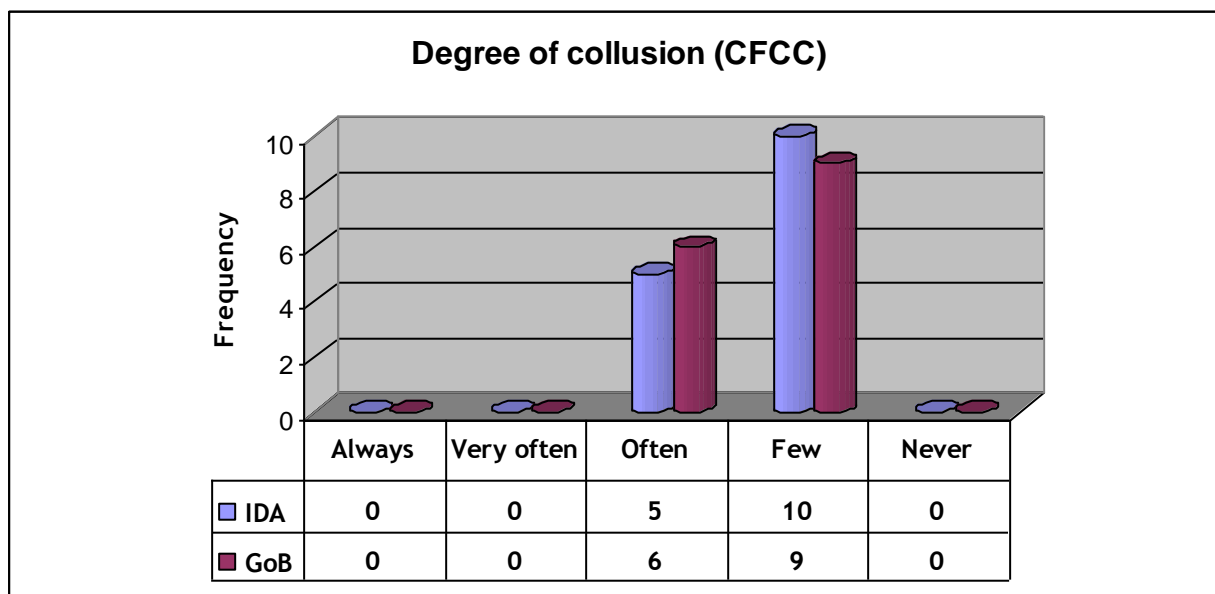
From the above figure, it is found that all PEs distribute tender documents to concern places on time and sell as per requirements. They also said that pre-tender meetings are conducted regularly and they sent the meeting minutes to concern officials and participants from the bidder side. The respondents added that, they had to prepare additional tender documents in many cases to meet up demands of the tenderers.

**Degree of collusion:** it was asked to the respondents about the degree of collusion and fraudulent practices found on submitted tender document in relation to tender security,

quoted price and so on issues. Responses of the respondents in this view point are shown in table below (Rule 127):

**Table 10: Degree of collusion distribution**

Degree of Collusion, Fraudulent, Coercion, Coercive (CFCC)	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	0	0	0%	0%
Very often	0	0	0%	0%
Often	5	6	33%	40%
Few	10	9	67%	60%
Never	0	0	0%	0%
Total	15	15	100%	100%



**Figure 7: Degree of collusion**

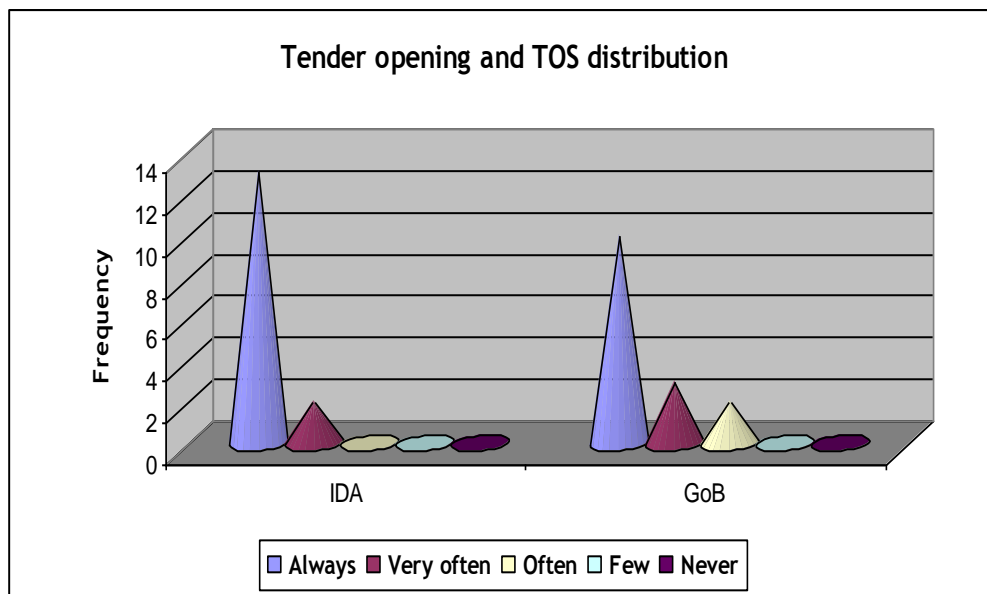
In the above table and chart, it is observed, 33% of respondents put their comments that collusion occurs oftenly and 67% said that it occurs few cases for the IDA project. For GoB project, it is 40% and 60% respectively.

**Tender opening and TOS distribution:** it was asked to the respondents about the extent of opening tender timely by the Tender Opening Committee (TOC) and sending Tender Opening

Sheet (TOS) to all concerned . Responses of the respondents in this view point are shown in table below:

**Table 11: Tender opening and TOS distribution**

Tender opening and TOS distribution timely	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	13	10	87%	67%
Very often	2	3	13%	20%
Often	0	2	0%	13%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



**Figure 8: Tender opening and TOS distribution**

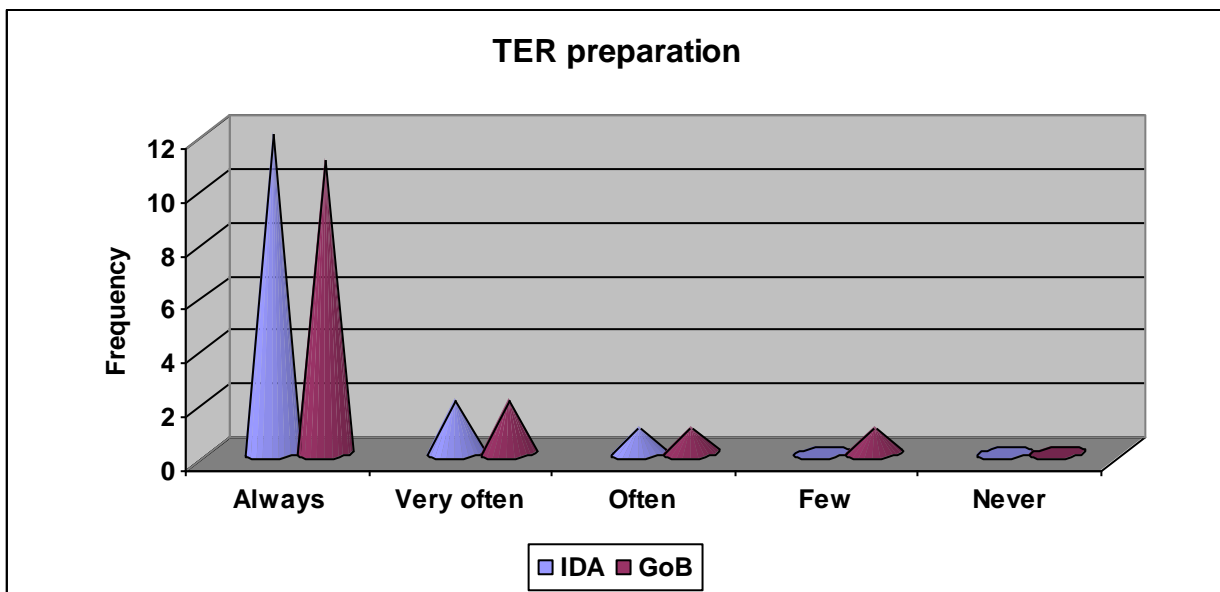
From the above table and figure, it is found that most of the cases tender opened timely and TOS distributed to concerned personnel. But, for IDA financed RTIP II, it is better performing than GoB financed IRIDP project.

**Tender Evaluation Report (TER) preparation:** it was asked to the respondents about the extent of tender evaluation timely by the Tender Evaluation Committee (TEC) and sending TER

to the competent authority timely. Responses of the respondents in this view point are shown in table below:

**Table 12: Tender Evaluation Report preparation**

Tender evaluation report preparation timely	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	12	11	80%	73%
Very often	2	2	13%	13%
Often	1	1	7%	7%
Few	0	1	0%	7%
Never	0	0	0%	0%
Total	15	15	100%	100%



**Figure 9: TER preparation**

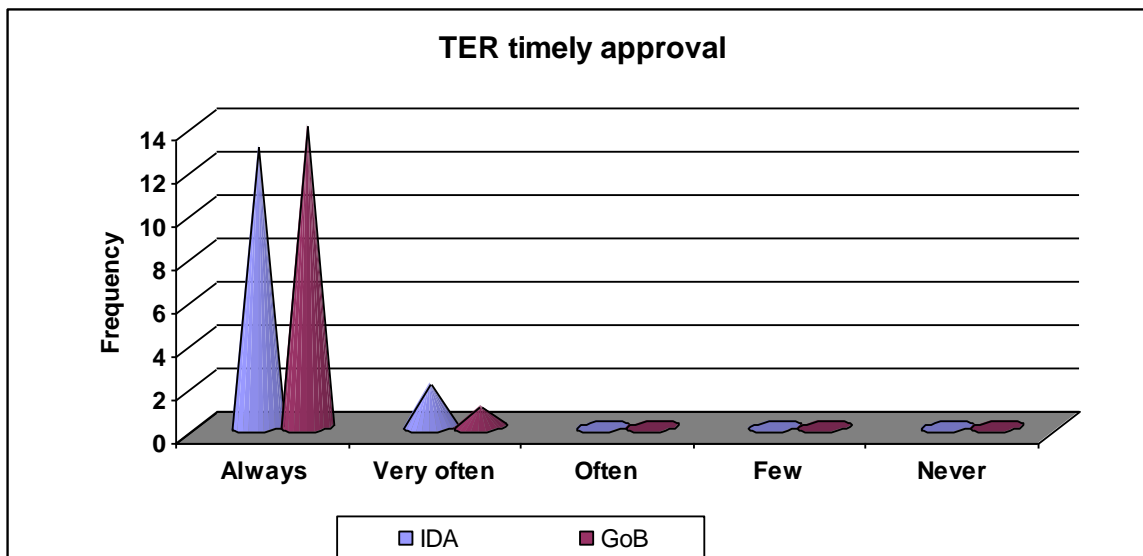
From the above table and chart, it is found that 80% cases for IDA financed RTIP II project and 73% cases for GoB funded IRIDP project, tender evaluation report prepared on time and some cases it delays for both projects due to some clarifications. Overall, TER preparation for RTIP II project is better performing than IRIDP.

**Tender Evaluation Report approval:** it was asked to the respondents about the approval of TER within stipulated timeframe as mentioned in Schedule 3 of PPR 2008/Donor Guidelines as well

as required for the extension of tender validity period. Responses of the respondents in this view point are shown in table below:

**Table 13: TER approval**

TER timely approval	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	13	14	87%	93%
Very often	2	1	13%	7%
Often	0	0	0%	0%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



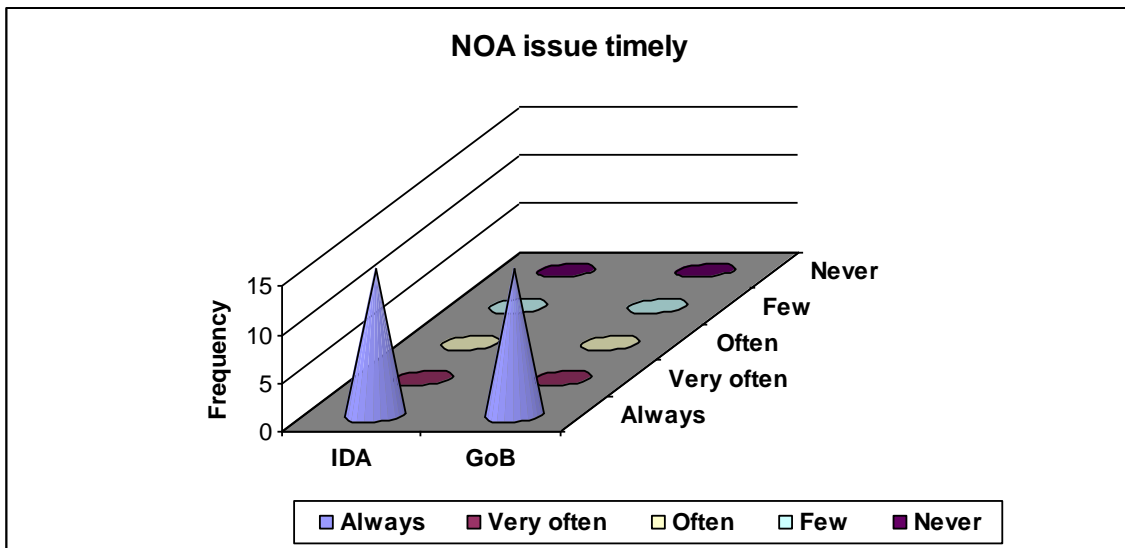
**Figure 10: TER approval**

From the above table and figure, it is found that 93% cases Tender Evaluation Report (TER) approved for GoB funded IRIDP project and 87% cases for IDA financed RTIP II project. A few cases tender validity period extension is required beyond the original time schedule because approval delay due to clarifications and relevant issues.

**Notification of Award issuance:** it was asked to the respondents about the Notification of Award (NOA) whether issued or not within specified timeframe. Responses of the respondents in this view point are shown in table below:

**Table 14: NOA issuance**

NOA issue within timeframe	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
Always	15	15	100%	100%
Very often	0	0	0%	0%
Often	0	0	0%	0%
Few	0	0	0%	0%
Never	0	0	0%	0%
Total	15	15	100%	100%



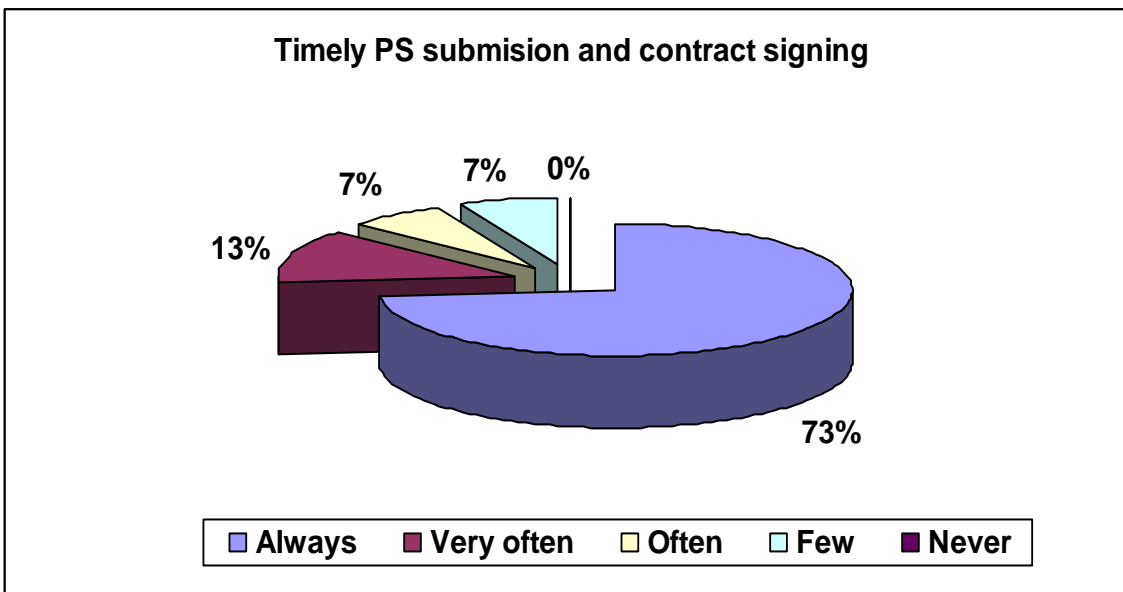
**Figure 11: NOA issuance**

From the above figure and table, it is found that NOA issued within timeframe for 100% cases both GoB and IDA financed project.

**Performance Security submission and contract signing:** it was asked to the respondents about the selected tenderers submitted performance security (PS) and sign contract in specified time frame. Responses of the respondents in this view point are shown in table below:

**Table 15: PS submission and contract signing**

Timely performance security submission and contract signing	Frequency	Percentage (%)
	Both IDA and GoB	Both IDA and GoB
Always	11	73%
Very often	2	13%
Often	1	7%
Few	1	7%
Never	0	0%
Total	15	100%



**Figure 12: PS submission and contract signing**

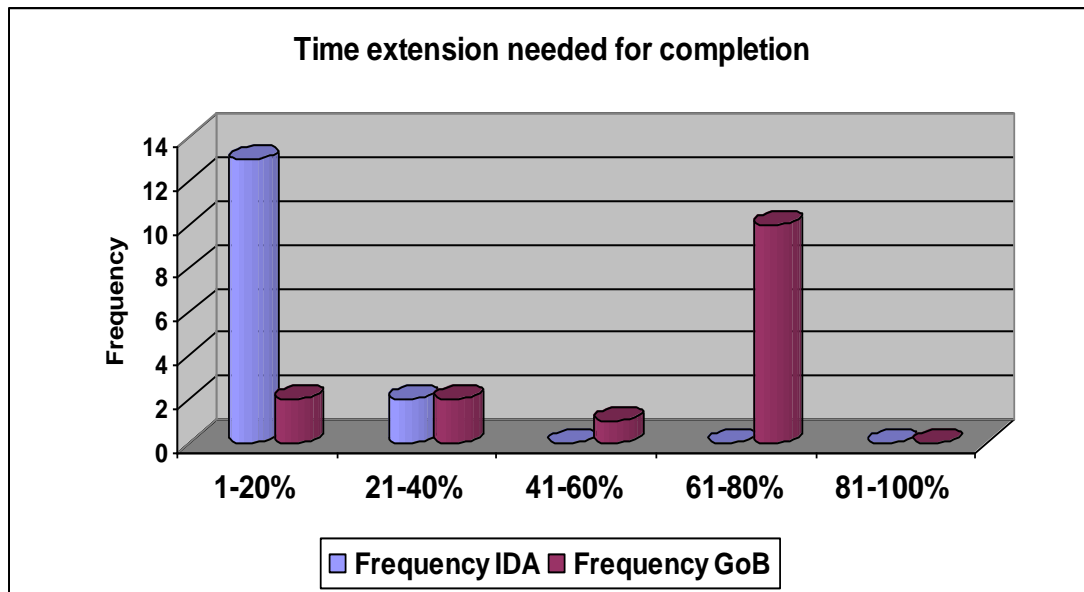
From the above figure and table, it is found that both for IDA and GoB funded projects, 73% of the selected tenderers submit performance security (PS) and sign contract within the stipulated timeframe. Very often, often and few submitted 13%, 7% and 7% respectively.



**Extension of intended completion period:** it was asked to the respondents about needed to extend time for completion of the contracts (how many contracts percentage wise). Responses of the respondents in this view point are shown in table below:

**Table 16: Extension of intended completion period**

How many contract needed for time extension	Frequency		Percentage (%)	
	IDA	GoB	IDA	GoB
1-20%	13	2	87%	13%
21-40%	2	2	13%	13%
41-60%	0	1	0%	7%
61-80%	0	10	0%	67%
81-100%	0	0	0%	0%
Total	15	15	100%	100%



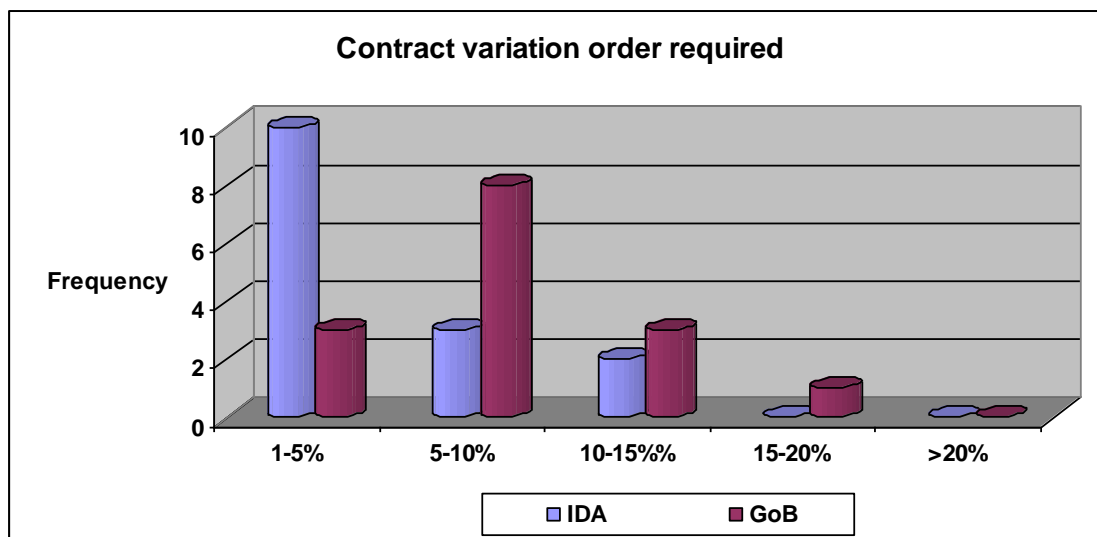
**Figure 13: Extension of intended completion period**

From the above table and figure, 67% of the respondents opined that time extension needed for 61-80% contracts for GoB funded IRIDP project. Main reasons behind this is scarcity of fund flow. On the other hand, 87% opined that time extension needed for 1-20% of the contracts for IDA financed RTIP II projects

**Variation for the original contract:** it was asked to the respondents about the percentage wise variation needed for completion of the contract. Responses of the respondents in this view point are shown in table below:

**Table 17: Contract variation required**

How many contract needed for variation	Frequency		Percentage	
	IDA	GoB	IDA	GoB
1-5%	10	3	67%	20%
5-10%	3	8	20%	53%
10-15%%	2	3	13%	20%
15-20%	0	1	0%	7%
>20%	0	0	0%	0%
Total	15	15	100%	100%



**Figure 14: Contract variation required**

From the above table and chart, it was exposed that 67% respondents opined, variation required for 1-5% contract under the IDA financed RTIP II project, 20% respondents for 5-10% contract, 13% respondents for 10-15% contract. On the other hand, 53% respondents opined variation required for 5-15% contracts under GoB funded IRIDP projects, 20% respondents for 1-5% variation, 20% respondents for 10-15% variations and 7% respondents for 15-20% variations. It is revealed that more variation is required for IRIDP project than IDA financed

RTIP II project. The main reasons for variation is scope of work change, design change, natural calamities, estimate change and so on related issues.

**Contractors non-performance:** It was asked to the respondents about remedial actions taken in case of contractors non-performance. Most of the respondents replied that Liquidated Damages (LD) is generally applied which collected from respective contractors and deposited as government revenue.

**Compensation for late payment:** It was asked to the respondents about compensation made to contractors for late payment or due to buyer side default. Most of the respondents replied that compensation generally not paid to the contractors for GoB funded IRIDP project, but few cases paid for the IDA financed RTIP II project.

**PPR 2008 and IDA procurement guidelines:** It was asked to the respondents about PPR 2008 and IDA guidelines how these assist and guide procurement process. Most of the respondents replied that PPR 2008 is an effective tools for the procurement of GoB funded project and World Bank procurement guidelines also assist for the procurement of IDA financed project like RTIP II.

**Hindrance in contract implementation:** It was an open ended question and was asked to the respondents about the hindrance to implement contract properly. Most of the respondents replied that the barriers are; lack of commitment both PEs and contractors, lack of knowledge on procurement processing for the PE's staffs, critical tender documents, lack of training and development, political influences, lack of knowledge of the contractors and their staffs, attitudal problems, fund flow crisis and so on related issues.

**Suggestions on increasing procurement efectiveness:** It was also an open ended question and was asked to the respondents to suggest that may help to increase efficiency and effectiveness in the procurement process. Most of the respondents suggested as; extensive use of e-procurement systems to increase efficiency and quick processing, work to gain commitment both the buyers and contractors, ensuring training and development, simplifying tender document, reducing political influences, ensuring governance and internal control, increasing vigilance, introducing reward system for better performance and punishment for poor performance and so on related issues.

#### 4.4 Analysis of the KII qualitative primary data

The key informant interviews (KII) conducted with the LGED officials of two project directors, two deputy project directors, two executive engineers, six senior assistant engineers, four assistant engineers as well as with two consultants who are working with the IDA funded RTIP II project. The interviewees told that the PPR 2008 is an outstanding tool that guide for the effective contract management with range of activities from procurement plan preparation to the implementation of the contract. The world bank procurement guidelines also an excellent tools for the implementation of IDA funded project like RTIP II. But, some of the respondents told that PPR 2008 is more critical and it needs to be reviewed for the preparation of simplifying tender document to make it more well-situated to the tenderers that they may prepare tender data in a convenient way.

The Project Director (PD) of IRIDP raised the issue of Clause 27 (2) about “**Front Loading**”. It mentioned in the clause that “The Procuring Entity may increase the amount of the Performance Security amounts specified in the Schedule II , if the TEC considers the Tender unbalanced as a result of front loading”. In Schedule II of clause 27(2) the amount is maximum twenty five percent (25%) of the total contract value. The PD told that there is no provisions to forfeit the 25% performance security in case of the contractor not completing the contract. For the Front Loading case, the contractors quoted rate higher for those items which have to be done at the earlier stage like earth work, ISG, WBM for road works and they quote lower rate for those items which have to be done at later stage of the contract implementation like carpeting, seal coat for road work. By doing the early stage work like Earth Work, ISG, WBM the contractor took bills for the major amount and then they do not accomplish remaining work whose rate is low. As per PW (public works) document and tender data sheet, penalty only applicable as 10% on the uncompleted work value. For from loading case, the value of the later stage works normally low amount. As results, contractors, taken major amount bills for comparatively less quantity works. Thus, the PD suggested that there should be some provisions to forfeit the 25% performance security in measurable amounts in case of non-performance.

Interviews also have been taken with some key contractors who working with LGED both for IDA financed RTIP II contracts as well as GoB funded IRIDP contracts. Most of them told that introducing PPR 2008 in government sectors procurement positively affected in accomplishment of procurement process. But, the tender documents need to be simplified for preparation of tender document in convenient way. They also told that reward system and compensation

events are applying in IDA and other donor financed projects, but this practice not carrying out in GoB funded projects. Reward and punishment systems positively affected the procurement accomplishment. Moreover, the contractors added that there are some barriers for the effectively accomplishment of the procurement and contract management like; fund flow crisis, price hike of raw materials, labour crisis and so on related issues.

#### **4.5 Secondary data analysis**

The secondary data collected from 40 contract files 20 each the IDA financed RTIP II project and GoB funded IRIDP projects. Data collected targeting 12 KPIs such as; tender notice publications, tender opening, tender evaluation report (TER) preparation, TER approval, bid validity period extension, NOA issue, performance security submission and contract signing, intended completion time extension, variation order approval, remedial actions for non-performance, compensation paid for late payment or buyer side fault, complaints from the bidder sides and grievance handling. It was observed that in most cases LGED maintained the KPIs, but in fewer cases these slightly differs. Overall, the procurement practices found more effective for IDA financed RTIP II project than GoB financed IRIDP project. The specific observations are below:

**Tender Notice publications:** As per Rule 61 (4) of PPR 2008, time for preparation and submission of tenders from the date of advertisement is minimum twenty-eight (28) days for official estimated cost for above Tk. 50 (fifty) million and twenty-one (21) days for those Tk 3 million to Tk. 50 (fifty) million are maintained. The advertisement also posted in cptu website for official estimated cost BDT 10 million and above.

**Tender opening:** Time frame maintained as described in the tender notice and tender opened within one hour of last submission time which recorded and kept in the project files.

**Tender evaluation report (TER) preparation:** As per schedule III of PPR 2008, evaluation reports preparation time is 2 weeks. Most of the cases TEC maintained the time frame.

**TER approval:** As per schedule III, total time for TER approval is 4 weeks including evaluation report preparation. Most of the cases it was observed that timeframe maintained, but few cases it was delayed.

**Tender validity period extension:** As per Rule 19(1) of PPR 2008, tender validity period is normally between sixty (60) and one hundred twenty (120) days. It was found that some cases

tender were not approved within tender validity period and the validity period were extended for those cases specifically for the schemes under IDA financed RTIP II project.

**Notification of Award (NOA) issue:** As per rule, NOA should be issued within seven days of the tender approval and most of the cases it was found accurate.

**Performance security submission and contract signing:** As per rule, performance security should be submitted within 21 days of issuance of NOA and contract signing date after 28 days of the issuance of NOA. Most of the cases it was found correct.

**Intended completion time extension:** The intended completion time is mentioned in the tender notice and determined in the NOA. Many of the cases it found that intended completion time extended and the rate is higher for GoB funded IRIDP project than IDA funded RTIP II project.

**Variation order approval:** The contract amount is fixed on the basis of quoted rate per unit quantity. Many of the cases it found that variation order prepared and the rate is higher for GoB funded IRIDP project than IDA funded RTIP II project.

**Remedial actions for non-performance:** The normal provision for remedial measures is applying liquidated damages (LD) for delay per day which mentioned in the contract data. Most of the cases time were extended showing cause that natural calamities, site disputes and so on issues. A few cases LD were applied and some cases contracts were terminated. The rate is higher for GoB funded IRIDP project than IDA funded RTIP II project.

**Compensation paid for late payment or buyer side fault:** No compensation paid for the GoB funded IRIDP project. But for IDA financed RTIP II project, compensation paid in few cases.

**Complaints from the bidder sides and grievance handling:** Reviewing the official files that no complaint raised regarding tender processing for both GoB funded IRIDP project than IDA funded RTIP II project.

**Delegation of financial authority** expedite the procurement process. The TER which sent to the competent authority in the next higher office are relatively takes more time for approval.

#### **4.6 Summary of the findings**

It reveals from the analysis of the primary and secondary data for quantitative and qualitative research that the procurement guidelines like; PPR 2008 for GoB funded projects and World Bank procurement guidelines for IDA funded project has positive effect on the procurement process. The procuring entities maintain the KPIs in both areas for donor and GoB funded projects, but in some cases it slightly differs like; tender evaluation and approval, performance security submission and contract signing, intended completion time (time overruns), contract variation (cost overruns), liquidated damages application, compensation payment and so on related issues. It also exposed that the main causes of delaying for the contract implementation are: fund crisis, poor performance of the contractors, price hike and crisis of raw materials, poor contract management etc. It is observed that, LGED is implementing successfully both the projects, but IDA financed RTIP II project is performing more effectively than GoB funded IRIDP project, because of better fund flow, extensive monitoring by third party consultant as well as applying reward and punishment systems.

## **CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

The research intended to assess the Procurement effectiveness in Local Government Engineering Department (LGED) under IDA financed Second Rural Transport Improvement (RTIP II) project and GoB funded Project Important Rural Infrastructure Development Project (IRIDP). The objective was to study the effectiveness of the procurement course of actions of LGED with reference to the IDA procurement guidelines, PPA 2006 and PPR 2008 and find out factors affecting procurement management systems. Following are the main conclusions of the research work;

- Tender Notices floated as per Rule 61 (4) of PPR 2008 keeping time for the preparation and submission of tenders from the date of advertisement is 21 days to 28 days on the basis of official estimated costs. The advertisement also posted in cptu website for official estimated cost BDT 10 million and above.
- Most of the cases, tender open in right time and tender evaluation report (TER) prepared within specified time frame and a few cases it was required the extension of tender validity period specifically in IDA financed project.
- 93% and 87% TER approved within specified timeframe for GoB funded IRIDP project and IDA financed RTIP II project respectively.
- Almost 70% contracts needed for time extension beyond original intended completion period for the IRIDP project, but a few cases time extension required for RTIP II project. The main reasons for time extension is due to fund flow crisis, shortage of labour, price hike of construction materials and natural calamities delay works.
- About 40% cases contract variation required for IRIDP project and 25% for RTIP II. The main causes for variation is due to scope of work change, faulty estimate preparation and design variation.
- 90% respondents opined that delegation of financial authority to the next tier expedite the procurement process. The TER which sent to the competent authority in the next higher office are relatively takes more time for approval.



- 90% respondents viewed that application of liquidated damages (LD) clauses make committed the contractor to complete contract within specified timeframe.
- 80% respondents opined that compensation events should be ensured for late payment for proper contract management
- 75% respondents told that critical tender documents consumed more time as well as made it difficult to prepare tender.
- Most of the respondents opined that barriers for proper contract implementation are; lack of commitment both PEs and contractors, lack of knowledge on procurement processing for the PE's staffs, critical tender documents, lack of training and development, political influences, lack of knowledge of the contractors and their staffs, attitudinal problems, fund flow crisis and so on related issues
- 70% of the respondents commented that inherent resistance from the unskilled staffs are change to status quo are the barrier to effective implementation of the contract.
- 100% respondents commented that introduction of e-procurement system increase efficiency and decrease malpractices in the procurement process.
- Most of the respondents opined that IDA financed RTIP II project is better performing than GoB funded IRIDP project because of better fund flow, extensive monitoring & supervision systems, application of donor's compliances and so on related issues.

## 5.2 Recommendations

Based on the analysis of the primary and secondary data on quantitative and qualitative research and on merit of the research objective for more effective procurement practices, the recommendations are following;

- Publication of user friendly simplified tender documents by CPTU to make it more convenient to the PEs and tenderers for effective processing of the tender.
- Strict applications of the procurement rules and regulations to bring procurement related all personnel under compliance management.
- Estimate should be prepared more cautiously to avoid variation order preparation.

- Time extension should be discouraged by applying liquidated damages for contract accomplishment within intended completion period.
- Ensuring extensive monitoring and evaluation system to identify lacking areas as well as to provide feedback for further improvement.
- Commitment of both buyers and contractors need to be gained to put together more effective.
- Restraining political influences for proper scheme selection and better contract implementation.
- Ensuring training and development both for PE's staffs as well as for contractor's concern personnel for adapting them in effective procurement practices.
- Ensuring governance and internal control for making it more effective.
- An enlistment of the qualified tenderers needs to be prepared on the basis of their performance rating and the list to be updated timely.
- Introducing reward system for better performance and punishment for poor performance for effective implementation of the contracts.
- Ensuring extensive use of e-procurement systems to increase efficiency, transparency and quick processing.

### **5.3 Recommendations for further readings**

Due to time limitations, the study has been conducted on limited number of schemes for both the GoB funded IRIDP project and IDA financed RTIP II project in three districts only. To find out the more factual information and procurement effectiveness, further extensive study is recommended on donor as well as GoB funded other and similar projects under LGED.

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## Research Questionnaire

**Dissertation Title:** Procurement effectiveness in Local Government Engineering Department (LGED) under IDA and GoB Funded Projects.

**Researcher Name:** Md. Abdul Aziz (Cell No. +880-1711 390682, email: zizce90@gmail.com)

This is a survey questionnaire intended to perform academic research for the partial fulfilment of the degree of Masters in Procurement and Supply Management (MPSM) under BRAC Institute of Governance and Development (BIGD), BRAC University. The questionnaire is framed to conduct a study on the effectiveness of the Local Government Engineering Department (LGED) for the procurement of works under IDA and GoB funded projects. It is highly praised and appreciated you for spending your valuable time and providing efforts in fulfilling the questionnaire. The researcher assures you that the data will be kept confidential and will be used academic purpose only.

### Part A : General Information

1. Designation : .....
2. Organisation :.....
3. Organisation Location: .....
4. Age: .....
5. Gender: .....
6. Educational background (Basic/Last Degree): .....
7. Work experience (In Procurement activities/Total):.....Years
8. Annual volume of procurement do you responsible for BDT .....Crore
9. Type of procurement do you involve?
 

Works (%)	Goods(%)	Services(%)

### Part B : Information relates to PPR 2008/Donor Guidelines/Compliances

1. Generally what types of Procurement methods used for the works procurement under your jurisdiction? (Score 5 for most use and 1 for least use) (PPR 2008; Rule-61,63,65,69,74)

Procurement methods	Generally use (score 5-1)
Open Tendering Method (OTM)	
Limited Tendering Method (LTM)	
Two Stage Tendering Method (TSTM)	
Request For Quotation (RFQ)	
Direct Procurement Method (DPM)	
Other ( Please specify).....	

2. To what extent the Procurement processing systems manually or e-GP under your jurisdiction? (Rule-128)

Manually processing (%)	e-GP system (%)

3. Knowledge and Skills of the Tender Opening Committee(TOC) and the Tender Evaluation Committee (TEC) members in Procurement processing?

( 5=Very good, 4=Good, 3= Average, 2=Below average, 1= Poor)

Skill areas	Please tick one
They are skilled, knowledgeable, able to motivate as well as to lead the process	5
They are knowledgeable, but needs to expertise development for leading	4
They are capable, but needs more training and development	3
They are lack of knowledge and willingness	2
They are unwilling and unable	1

4. Do you think that the Procuring Entity decides appropriately on splitting the packages and the applicability of the Procurement methods considering the nature and size of the Procurement? (please tick the appropriate one) (Rule 17)

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

Please comments (Optional).....

5. To what extent the relevant stakeholders are being involved for scheme selection process?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

6. As per Annual Procurement Plan, to what extent the Procuring Entities float tender of their Procurement requirements in accordance with relevant guidelines publishing in Newspaper, Website maintaining time frame? (Rule 90)

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

7. Do you think that the procuring entity ensure fair competition in tendering process arranging pre-ender meeting, distributing tender documents to all concern places on time and sell as per requirements of the tenderers without any hindrance? (Rule 18)

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

Please comments (Optional).....

8. In what degree collusion and fraudulent practices found on submitted tender document in relation to tender security, quoted price and so on? **(Rule 127)**

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

9. To what extent the TOC open the received tender timely and fill up the TOS rightly?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

10. Do the PEs distribute the TOS to relevant tenderers and all concerned appropriately?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

11. To what extent the TEC complete evaluation report and send to competent authority for their review rightly and timely

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

12. Do the Procurement Processing and Approval Timetable maintained as per Schedule 3 of PPR 2008/Donor Guidelines ( evaluation to final approval)?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

13. To what extent the Tender Validity (Bid Validity) period extension is required?  
(Please provide Tick mark as appropriate)

Never	1-20%	20-40%	40-60%	60-80%	80-100%

14. Does Notification of Award (NOA) issued within specified timeframe?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

15. Do the selected tenderers submitted performance security and sign contract in specified time frame?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

16. How many contracts (percentage wise) needed to extend time for completion **(time overruns)?**

1-20%	20-40%	40-60%	60-80%	80-100%

Please specify major reasons for time extension.....

17. How many contracts (percentage wise) needed variation order (cost overruns)?

1-5%	5-10%	10-15%	15-20%	>20%

Please specify major reasons for variation.....

18. What remedial actions are generally taken in case of contractors non-performance?

- a. Damages (LD)
- b. Quantum meruit
- c. Others.....

Please specify how it ensured.....

19. To what extent compensation paid to contractors for late payment or due to buyer side fault ?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

20. Do you think that PPR 2008/Donor Guidelines act as improving performance tools for the effective procurement process?

5= Always, 4= Very often, 3= Often, 2=Few, 1=Never

Please comments (if any).....

21. What are the hindrance do you think within or outside guidelines to implement contract properly ?

22. Please provide suggestions which may help to increase efficiency and effectiveness in the procurement process.

**SCHEDULE I**

[See Rule 4(1)]

Shown for works and goods procurement part

PG1	National/International Procurement	Standard Request for Quotations Document for Procurement of Goods under Request for Quotation Method (SRFQ) (for values up to Tk. 0.5 million)
PG2	National Procurement	Standard Tender Documents for Procurement of Goods under Limited Tendering method (STD) (for values up to Tk. 2.5 million)
PG3	National Procurement	Standard Tender Documents for Procurement of Goods under Open Tendering Method (STD)(for values above Tk. 2.5 million)
PG4	International Procurement	Standard Tender Documents for Procurement of under Open Tendering Method (STD) (for any value)
PG5	National/International Procurement	Standard Tender Documents for Supply & Installation of Plant & Equipment (STD) [Applicable for Single Stage and Two Stage Tendering method Procurement under “Turnkey Contract”]
PG6	International Procurement	Standard Request for Quotations Document for Procurement of divisible commodities in bulk under Request for Quotation Method (SRFQ) (for any value)
PQG	National/International Procurement	Standard Pre qualification Document for Supply & Installation of Plant& Equipment (PQG) (for values above Tk. 150 million)
PW1	National/International Procurement	Standard Request for Quotation Document for Procurement of Works under Request for Quotation Method (SRFQ) (for values up to Tk 0.5 million)
PW2	National Procurement	(for values up to Tk 10 million)
PW3	National Procurement	Standard Tender Document for Procurement of Works under Open Tendering Method without Pre qualification (STD) (for values up to Tk 350 million)
PW4	National Procurement	Standard Tender Document for Procurement of Works or Design Build Infrastructure under Open Tendering Method (STD) (for values above Tk 350 million)
PQW4	National Procurement	Standard Prequalification Document for Works (SPD) (for values above Tk 350 million )



PW5	International Procurement	Standard Tender Document for large and complex Works (STD) (for values above Tk 350 million )
PQW5	International Procurement	Standard Prequalification Document for Works (STD) - (for values above Tk 350 million )
<b>Evaluation</b>		
EVWG		Guidance notes and formats for preparation of Evaluation report and Tender Opening for Procurement of Goods and Works
EVS		Guidance notes and formats for preparation of Evaluation report and Proposal Opening for Procurement of Services
PAP		Guidance notes and formats for preparation of Summary captioned “Purchase Proposal” by the Evaluation Committee for Approving authority
RPP		Procedures for Procurement Post Review

**SCHEDULE II**

Rule #	Times, Values, etc
7	<p><b><u>Constitution of Tender or Proposal Opening Committee</u></b>            1(one) member from the TEC or PEC and 2(two) other members from the concerned Procuring Entity and other agencies as below -            (a) Chairperson;            (b) Member;            (c) Member-Secretary.</p>
8(1), (2) & (8)	<p><b><u>Tender or Proposal Evaluation Committee</u></b></p> <ul style="list-style-type: none"> <li>• Minimum five (5) and normally not exceed seven (7) members</li> <li>• Two (2) of whom at least shall be from outside the Ministry or Division or agencies under it,</li> <li>• At last five (5) members including two (2) outside members shall attend the Evaluation and sign the Evaluation Report</li> </ul> <p><b><u>Tender or Proposal Evaluation Committee for low value Procurement</u></b></p> <ul style="list-style-type: none"> <li>• Minimum three (3) members of whom one (1) member may be selected from another agency or another Procuring Entity</li> <li>• At last three (3) members shall attend the Evaluation and sign the Evaluation Report</li> </ul> <p><b><u>Value of Contracts when number of the Evaluation Committee members may be reduced:</u></b></p> <ul style="list-style-type: none"> <li>• Tk. 1.5 (one and a half) million or below for Procurement of Goods and related Services</li> <li>• Tk 3 (three)million or below for procurement of Works and Physical Services</li> <li>• Up to Tk. 500,000 (five hundred thousand) for intellectual and professional Services</li> </ul>
8(14)	<p><b><u>8(14) Composition of the Technical Sub-Committee</u></b></p> <ul style="list-style-type: none"> <li>• Maximum 3 members</li> </ul>
8(15)	<p><b><u>Fee or Honorarium per Evaluation Committee Member</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 1,000 (one thousand) per member per meeting for Procurements above Tk.100 (one Hundred) million.</li> <li>• Maximum Tk. 600 (six hundred) per member per meeting for Procurements above Tk. 10 (ten) million up to Tk.100 (One Hundred) million</li> <li>• Maximum Tk. 300 (three hundred) per member per meeting for Procurements between Tk. 1 (one) million and Tk. 10 (ten) million. The inviting Procuring Entity shall pay the Honorarium to all members</li> </ul>
9(2)(a)	<p><b><u>Value of Contracts when external Members of Evaluation Committee may be from other Procuring Entities established under the same Ministry or Division or Agency:</u></b></p> <p><b><u>Goods and related services</u></b></p> <ul style="list-style-type: none"> <li>• Up to Tk. 1.5 (one and a half) million for Procurement under Open Tendering and Limited Tendering Methods</li> <li>• Up to Tk. 500,000 (five hundred thousand) for Procurement under Direct Procurement Method</li> <li>• Up to Tk. 500,000 (five hundred thousand) for Procurement under Request for Quotation Method</li> </ul>

	<p><b><u>Works and physical Services</u></b></p> <ul style="list-style-type: none"> <li>• Up to Tk. 3 (three) million for Procurement under Open Tendering and Limited Tendering Methods</li> <li>• Up to Tk. 1 (one) million for Procurement under Direct Procurement Methods</li> <li>• Up to Tk. 500,000 (five hundred thousand) for Procurement under Request for Quotation Method</li> </ul>
9(2)(b)	<p><b><u>Services</u></b></p> <ul style="list-style-type: none"> <li>• Up to Tk. 5 (five) million for Procurement of intellectual and professional Services under Least Cost Selection Method</li> <li>• Up to Tk. 500,000 (five hundred thousand) for procurement of intellectual and professional Services under Single Source Selection Method</li> <li>• Up to Tk. 200,000 (two hundred thousand) for Procurement of unforeseen urgent Services under Request for Quotation Method</li> </ul>
16(11)	<p><b><u>Posting Procurement Plan on CPTU's website</u></b></p> <ul style="list-style-type: none"> <li>• For Tk 10 (ten) million and above for Works, Goods and related Services</li> <li>• For Tk. 5 (five) million and above for physical Services; and</li> <li>• For Tk. 5 (five) million and above for intellectual and professional Services</li> </ul>
18(1) (c)	<p><b><u>Time to provide minutes of the pre-Tender meeting</u></b></p> <ul style="list-style-type: none"> <li>• Maximum one (1) week</li> </ul>
19(1) 117(10)	<p><b><u>Tender or Proposal Validity Period</u></b></p> <ul style="list-style-type: none"> <li>• Normally between sixty (60) and one hundred twenty (120) days</li> </ul>
21(2)	<p><b><u>Time for Requesting Extension of Tender or Proposal Validity</u></b></p> <ul style="list-style-type: none"> <li>• Not later than 10 (ten) days before the expiry date of the Tender or Proposal Validity</li> </ul>
22(3) & (5)	<p><b><u>Amount of Tender Security</u></b></p> <ul style="list-style-type: none"> <li>• Not exceeding three percent (3%) of the official estimated cost but as a fixed amount, in all cases, except for Item-by-Item Tenders or Lot-by-Lot Tenders containing lots with less than five (5) items in a lot.</li> </ul>
22 (4)	<p><b><u>Tender Security for Item-by-Item Tenders or Lot-by-Lot Tenders</u></b></p> <ul style="list-style-type: none"> <li>• Two percent (2%) of the total value of the items or lots offered in one (1) Tender Security in the case of Item-by-Item Tenders or Lot-by-Lot Tenders containing lots with less than five (5) items in a lot.</li> </ul>
27(1)	<p><b><u>Amount of Performance Security</u></b></p> <ul style="list-style-type: none"> <li>• Five percent (5%) of the Contract price for divisible commodities</li> <li>• Ten percent (10%) of the Contract price for Goods and related Services</li> <li>• Ten percent (10%) of the Contract price for Works if provision for advance payment exists .</li> <li>• Five percent (5%) to ten percent (10%) if provision advance payment does not exist. Five percent (5%) to ten percent (10%) of the Contract price for physical Services</li> </ul>
27(2)	<p><b><u>Amount of Performance Security in case of front loading,</u></b></p> <ul style="list-style-type: none"> <li>• Maximum twenty percent (20%) of the total Contract value</li> </ul>
28(1)	<p><b><u>Percentage of Retention under Contracts for Works and physical Services</u></b></p> <ul style="list-style-type: none"> <li>• Not necessary if no advance payment has been effected and Performance Security of ten percent (10%) is submitted,</li> <li>• The total percentage of Retention and Performance Security may not</li> </ul>

	exceed ten percent (10%) if no advance payment has been made, except in the case under Sub-Rule 27(2)
28(3)	<b><u>Time for return of the remaining amount of Retention money or the Bank Guarantee</u></b> <ul style="list-style-type: none"> <li>• Within twenty-eight (28) days after the issue of the Certificate of Completion of Defect Liabilities</li> </ul>
32	<b><u>Time Limit for Safe Custody of received Tenders, Applications and Proposals</u></b> <ul style="list-style-type: none"> <li>• Maximum two (2) working days</li> </ul>
35(1)	<b><u>Time for notification to all Tenderers and Applicants by the Procuring Entity about rejection of all Tenders or proposals</u></b> <ul style="list-style-type: none"> <li>• Within seven (7) days of decision taken by the Head of the Procuring Entity</li> </ul>
36(4)(a)	<b><u>Time for Issuance of Notification of Award</u></b> <ul style="list-style-type: none"> <li>• Within seven (7) working days of receipt of the approval but before expiry of the tender or proposal validity date</li> </ul>
36(5)	<b><u>Quarterly Reports for Procurement proceeding</u></b> <ul style="list-style-type: none"> <li>• Tk.10 (ten) million and above for Goods and related Services and, Works and Physical Services</li> <li>• Tk. 5 (five) million and above for intellectual and professional Services</li> </ul>
37(1)	<b><u>Posting of Contract Awards in CPTU's website</u></b> <ul style="list-style-type: none"> <li>• Tk 10 (ten) million and above for Goods and related Services and Works and physical Services</li> </ul>
126(3)	<ul style="list-style-type: none"> <li>• Tk. 5 (five) million and above for intellectual and professional Services</li> </ul>
37(2) & 126 (3)	<b><u>Publication of Contract Awards in Procuring Entity's notice boards and posting in its websites</u></b> <ul style="list-style-type: none"> <li>• Below Tk.10 (ten) million for Goods and related Services and Works and physical Services</li> <li>• Below Tk. 5 (five) million for intellectual and professional Services</li> </ul>
37(1&2)	<b><u>Time for posting Contract Awards in CPTU's website</u></b> <ul style="list-style-type: none"> <li>• Within seven (7) of issuance of the NOA for not less than a month</li> </ul>
39(3)	<b><u>Extensions of Intended Completion Date</u></b> <ul style="list-style-type: none"> <li>• Up to twenty percent (20%) of the original Contract time Above twenty percent (20%) of the original contract approval of HOPE shall be required</li> </ul>
39(4)	<b><u>Time for decision by the Procuring Entity to extend the Intended Completion Date</u></b> <ul style="list-style-type: none"> <li>• within twenty-one (21) days of the Contractor asking the Project Manager for an extension</li> </ul>
39(18)	<b><u>Amendment to the Contract by the Approving Authority</u></b> <ul style="list-style-type: none"> <li>• When increase on account of approved variations is within fifteen percent (15%) of the original Contract price but not exceeding Tk. 10 (ten) million</li> </ul>
39(22)	<b><u>Time for payment to the Contractor</u></b> <ul style="list-style-type: none"> <li>• Within twenty-eight (28) days of the date of each certificate</li> </ul>
39(29)	<b><u>Certification of the Final Payment due to the Contractor</u></b> <ul style="list-style-type: none"> <li>• Within fifty-six (56) days of receiving the Contractor's account if it is correct and complete</li> </ul>
39(29)(a)	<b><u>Time Limit to issue Defects Liability Schedule</u></b> <ul style="list-style-type: none"> <li>• Within fifty-six (56) days from the Contractor's request for Final Payment</li> </ul>
39(33)	<b><u>Time Limit for the Procuring Entity to take over the Site and the Works</u></b> <ul style="list-style-type: none"> <li>• Within seven (7) days of the Project Manager's issuing a certificate of Completion.</li> </ul>

43(1)	<p><b><u>Records of Procurement to be Maintained by a Procuring Entity</u></b></p> <ul style="list-style-type: none"> <li>• For a minimum period of five (5) years</li> <li>• Longer than five (5) years in special cases with the approval of the Head of Procuring Entity or an authorized officer</li> </ul>
46 (1)	<p><b><u>Procurement Post Review</u></b></p> <ul style="list-style-type: none"> <li>• When volume of Procurement of a Procuring Entity in one particular financial year is more than Tk.100 (one hundred) million</li> </ul>
46 (1)&(6)	<p><b><u>Time for Procurement Post Review</u></b></p> <ul style="list-style-type: none"> <li>• Within nine (9) months of the end of each financial year</li> </ul>
46 (3)	<p><b><u>Minimum Number &amp; Percentage of Contracts for Procurement Post Review</u></b></p> <ul style="list-style-type: none"> <li>• Not less than fifteen percent (15%) of the number of contracts awarded in that year to be selected by the independent Consultant in such a manner as to cover at least thirty percent (30%) of the total contracts' value.</li> </ul>
52(3) (b)	<p><b><u>Formation of the Enlistment Committee</u></b></p> <p>Minimum of three (3) members, of which</p> <ul style="list-style-type: none"> <li>• One (1) member may represent the financial unit,</li> <li>• One (1) member may represent the technical units of the concerned Procuring Entity and</li> <li>• One (1) member may be from outside the Procuring Entity.</li> </ul>
52(3) (d)	<p><b><u>Updating the Enlistment- Time by which the Procuring Entity shall notify Suppliers and Contractors of the annual meeting</u></b></p> <ul style="list-style-type: none"> <li>• at least seven (7) days in advance of the meeting through advertisement</li> </ul>
54(2)	<p><b><u>Value of non Judicial stamp for execution of contracts relating to JVCA</u></b></p> <ul style="list-style-type: none"> <li>• Tk. 300 (three hundred) or as required by the Government</li> </ul>
57 (1 )	<p><b><u>Time for Administrative Review of Complaints</u></b></p> <ul style="list-style-type: none"> <li>• Within seven (7) calendar days of becoming aware of the circumstances giving rise to the complaint.</li> </ul>
57 (4 )	<ul style="list-style-type: none"> <li>• Within five (5) working days of receipt of the complaint</li> </ul>
57 (5 )	<ul style="list-style-type: none"> <li>• Within three (3) working days after expiry of the fifth day of submission of complaint</li> </ul>
57 (6)(a)	<ul style="list-style-type: none"> <li>• Within three (3) working days</li> </ul>
57(6) (b)	<ul style="list-style-type: none"> <li>• Within five (5) working days of receipt of the complaint</li> </ul>
57 (7)	<ul style="list-style-type: none"> <li>• Within seven (7) working days of receipt of the complaint</li> </ul>
57 (8)	<ul style="list-style-type: none"> <li>• Within five (5) working days of receipt of the complaint</li> </ul>
57(9)	<ul style="list-style-type: none"> <li>• Within three (3) working days from the date of receipt of written decision</li> </ul>
57(12)	<ul style="list-style-type: none"> <li>• Within seven (7) working days of receipt of the written decision</li> </ul>
57(12) (c)	<p><b><u>Registration Fee and Security Deposit for Complaint to Review Panel For potential estimated Contract price or Tender price</u></b></p> <ul style="list-style-type: none"> <li>• Less than Tk. 10 (ten) million, the Registration Fee shall be Tk. 10,000 (ten thousand) and the Security Deposit shall be Tk. 50,000 (fifty thousand)</li> <li>• Between Tk. 10 (ten) million and 50 (fifty) million, the Registration Fee shall be Tk. 15,000 (fifteen thousand) and the Security Deposit shall be Tk.100,000 (one hundred thousand)</li> <li>• Above Tk. 50 (fifty) million and up to 100 (one hundred) million, the</li> </ul>

	<p>Registration Fee shall be Tk. 20,000 (twenty thousand) and the Security Deposit shall be Tk. 200,000 (two hundred thousand)</p> <ul style="list-style-type: none"> <li>• Above Tk. 100 (one hundred) million, the Registration Fee shall be Tk. 25,000 (twenty-five thousand) and the Security Deposit shall be Tk. 500,000 (five hundred thousand)</li> <li>• For complaints concerning issues prior to Tender opening, the Registration Fee shall be Tk. 10,000 (ten thousand) and the Security Deposit shall be Tk.50,000 (fifty thousand).</li> </ul>
58(2)	<p><b><u>Number of well-reputed Specialists selected for Review Panels</u></b></p> <ul style="list-style-type: none"> <li>• Maximum of ten (10) legal experts</li> <li>• Maximum of ten (10) technical experts of Public Procurement</li> <li>• Maximum of ten (10) specialists on Contract management</li> </ul>
58(2)(b)	<p><b><u>58(2)(b) Number of Review Panels</u></b></p> <ul style="list-style-type: none"> <li>• There shall be three to five (3 to5) Review Panels</li> </ul>
58(4)	<p><b><u>Incentive or Honorarium per Review Panel Member</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 2,500 (two thousand five hundred) per meeting but not exceeding five (5) meetings in total for review of one (1) complaint</li> </ul>
59(1)	<p><b><u>Time for Selection of Review Panel</u></b></p> <ul style="list-style-type: none"> <li>• Within five (5) working days</li> </ul>
60 (2)	<p><b><u>Time for disposal of complaints by Review Panel</u></b></p> <ul style="list-style-type: none"> <li>• Within a maximum of twelve (12) working days from the date of receipt of the complaint, the Review Panel shall issue its written decision</li> </ul>
61(4)	<p><b><u>Time for preparation and submission of Tenders for National Procurement of Goods, Works and Physical Services under the Open Tendering Method from the date of advertisement</u></b></p> <ul style="list-style-type: none"> <li>• Not less than fourteen (14) days for Procurement up to Tk. 3 million</li> <li>• Not less than twenty-one (21) days for contacts above Tk 3 million and up to Tk. 50 (fifty) million,</li> <li>• Not less than twenty-eight (28) days for contacts above Tk. 50 (fifty) million,</li> <li>• Not less than fourteen (14) days for emergency Procurement following a catastrophe,</li> <li>• Not less than fourteen (14) days for re-Tendering</li> </ul>
63 (2)	<p><b><u>Financial limit for use of Limited Tendering Method under Enlistment</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 1.5 (one and a half) million in the case of Goods and related Services and “stand alone Services”</li> <li>• Maximum Tk. 3 (three) million in the case of Works and physical Services</li> </ul>
64(5)	<p><b><u>Time for preparation and submission of Tenders from the date of publication of advertisement in the newspaper under Limited Tendering Method</u></b></p> <ul style="list-style-type: none"> <li>• Not less than fourteen (14) days</li> <li>• Time for re-Tendering can be reduced to seven (7) days</li> <li>• Seven (7) days for Procurement under Rule 63 (b) and (c)</li> <li>• Below seven (7) days in the case of national disasters with the approval of Head of Procuring Entity</li> </ul>
66(5)	<p><b><u>Time for submission of Technical Proposal in the 1st stage of Two-stage Tendering</u></b></p> <ul style="list-style-type: none"> <li>• Forty-two (42) days from the date of publication of advertisement in the newspaper</li> </ul>

67(5)	<b><u>Time for submission of the Tender Evaluation Report of the 1st stage</u></b> • Seven (7) days
68(3)	<b><u>The Minimum Time for Preparation for the 2nd stage in Two-stage Tendering</u></b> • twenty-one (21) days
69 (1) & 69(6) (a)&(c)	<b><u>Financial limit for RFQ of Goods and related Services and, Works and Physical Services Revenue Budget</u></b> • Maximum Tk. 100,000 (one hundred thousand) in each Procurement up to annual aggregate amount of Tk. 300,000 (three hundred thousand) for Goods and related Services • Maximum Tk. 200,000 (two hundred thousand) in each Procurement up to annual aggregate amount of Tk. 500,000 (five hundred thousand) for Works and physical Services <b><u>Development Budget</u></b> • Maximum Tk. 200,000 (two hundred thousand) in each Procurement up to annual aggregate amount of Tk. 500,000 (five hundred thousand) for Goods and related Services • Maximum Tk. 300,000 (three hundred thousand) in each Procurement up to annual aggregate amount of Tk. 1,000,000 (one million) for Works and physical Services
69(6)(b)	<b><u>Procurement for national Carriers</u></b> • Maximum Tk. 500,000 (five hundred thousand) in each case
71(4)	<b><u>Time limit for invitation under the RFQ Method</u></b> • Less than ten (10) days from the date of invitation for quotations
74(4)	<b><u>Variation Order Limit</u></b> • Fifteen percent (15%) of the original Contract price
76(1)(J)	<b><u>Value of Direct contracting of goods, works, services of very urgent or essential nature</u></b> • Maximum Tk.2,000,000 (two million) in each Procurement up to annual aggregate amount of Tk. 3,000,000 (three million)
76(1)(K)	• Maximum Tk.50,000 (fifty thousand) in each Procurement up to annual aggregate amount of Tk.100,000 (One hundred thousand) with the approval of the HOPE
77(a)	<b><u>Limit for Additional Deliveries of Goods and Repeat Orders</u></b> • Fifteen percent (15%) of the original Contract price
78(3)	<b><u>Limit for Variation and Extra Work Orders for Works and physical services</u></b> • Fifteen percent (15%) of the original contract price
79(1)	<b><u>79(1) Time for claiming for Variation Order</u></b> • Within seven (7) calendar days of being aware of the need for the Variation Order.
79(2)(c)	<b><u>Timeframe for Processing of Variation Orders</u></b> • Not exceeding thirty (30) days from its preparation to approval
80(4) (b)(i)	<b><u>Cumulative increase in value of Works on the project</u></b> • Does not exceed ten percent (10%) of the adjusted original Contract price
81	<b><u>Annual Aggregate Amount for Direct Cash Purchase</u></b> • Maximum Tk. 200,000 (two hundred thousand) but not exceeding Tk. 15,000 ( fifteen thousand) in a single Procurement
82	<b><u>Annual Aggregate Amount for Procurement under Force Account</u></b> • Maximum Tk. 200,000 (two hundred thousand) in each case

83(1)(a)	<p><b><u>Time for preparation and submission of Tenders for International Procurement of Goods and related Services and Works and physical Services</u></b></p> <ul style="list-style-type: none"> <li>• Not less than forty-two (42) days from the date of publication of advertisement in the newspaper in case of Open Tendering Method</li> <li>• Not less than twenty-eight (28) days from the date of publication of advertisement in the newspaper in case of re-Tendering</li> <li>• Not less than forty-two (42) days from the date of publication of advertisement in the newspaper in 1st stage and not less than twenty-one (21) days for preparation in 2nd stage in case of Two-Stage Tendering Method</li> </ul>
83(1) (e) & 98(21)(e)	<p><b><u>Domestic preference for national Suppliers and Contractors</u></b></p> <ul style="list-style-type: none"> <li>• Maximum 15% (fifteen percent) of the delivered price for Goods</li> <li>• Maximum 7.5% (seven and a half percent) of the contract price for Works</li> </ul>
88(1) & 88(2)	<p><b><u>Procurement by Embassies and national carriers</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 500,000 (five hundred thousand) in each case</li> <li>• Maximum Tk 1 (one) million in each case.</li> </ul>
90 (2)(c)	<p><b><u>Advertisement in Local and Regional Daily Newspapers</u></b></p> <ul style="list-style-type: none"> <li>• When the official estimated cost is Tk. 500,000 (five hundred thousand) or below</li> </ul>
90(2)(i)	<p><b><u>Posting of Procurement related notices in CPTU's Website</u></b></p> <ul style="list-style-type: none"> <li>• When the official estimated cost of Procurement is Tk. 10 (ten) million and above for Goods and related Services and Works and physical Services</li> <li>• When the official estimated cost of Procurement is Tk. 5 (five) million and above for intellectual and professional Services</li> <li>• Advertisement shall be sent to the CPTU and the newspapers simultaneously.</li> </ul>
91 (1)	<p><b><u>Pre-Qualification Thresholds</u></b></p> <ul style="list-style-type: none"> <li>• Construction Works above Tk. 350 (three hundred fifty) million</li> <li>• Maintenance Works above Tk. 35 (thirty five million);</li> <li>• Supply and installation of plant and equipment above Tk. 150 (one hundred fifty) million;</li> <li>• Design and build infrastructure above Tk. 350 (three hundred fifty ) million;</li> <li>• Custom designed equipment above Tk. 35 (thirty five ) million;</li> <li>• Management contracts above Tk. 350 (three hundred fifty) million</li> </ul>
91(4)	<p><b><u>Time allowed for Applicants to prepare their Applications for Pre-Qualification</u></b></p> <ul style="list-style-type: none"> <li>• Minimum twenty-one (21) days</li> </ul>
91(7)	<p><b><u>Time before which Requests for Clarification on Pre-Qualification Document from Applicants shall be Received by the Procuring Entity</u></b></p> <ul style="list-style-type: none"> <li>• Seven (7) working days prior to the deadline for submission of Applications</li> </ul>
91(8)	<p><b><u>Time by which Response to Clarifications on Pre-Qualification Document received from Applicants</u></b></p> <ul style="list-style-type: none"> <li>• Within five (5) working days</li> </ul>
93(9)	<p><b><u>Number of Pre-Qualified Applicants</u></b></p> <ul style="list-style-type: none"> <li>• Minimum three (3) Applicants</li> </ul>
93(18)	<p><b><u>Time Limit for Pre-Qualified Applicants to advise of change in its structure or formation</u></b></p> <ul style="list-style-type: none"> <li>• No later than fourteen (14) days after the date of the Invitation for Tenders.</li> </ul>
94(11)	<p><b><u>Distribution of Minutes of Pre-Tender Meeting by the Procuring Entity</u></b></p>



	<ul style="list-style-type: none"> <li>• Within five (5) working days after holding the meeting</li> </ul>
95(2) & 117(19)	<p><b><u>Time by which the Procuring Entity responds to clarifications on Tender or Proposal Document and issues an Addendum</u></b></p> <ul style="list-style-type: none"> <li>• Within five (5) working days of receipt of request for clarification</li> </ul>
95(3)	<p><b><u>Time by which Tenderers shall acknowledge receipt of Amendment or Addenda</u></b></p> <ul style="list-style-type: none"> <li>• Within three (3) working days</li> </ul>
95(4)	<p><b><u>Time by which Tenderers shall inform the Procuring Entity about the Absence of Addenda or amendment or response for Clarification</u></b></p> <ul style="list-style-type: none"> <li>• Before two-third of the time allowed for the submission of Tenders has elapsed.</li> </ul>
95(6)	<p><b><u>Time Extension in case of Modification of Tender Document</u></b></p> <ul style="list-style-type: none"> <li>• If an amendment is made when less than one-third of the time allowed for the preparation of Tenders remains</li> <li>• Minimum Time for extension is three (3) days</li> </ul>
96(11)(a)	<p><b><u>Multiple dropping of Tenders for Goods and related Services and Works and Physical Services</u></b></p> <ul style="list-style-type: none"> <li>• When the official estimated cost of the Procurement is Tk. 3 (three) million and above</li> <li>• <b>Must be delivered to the primary place within three (3) hours of the deadline for submission.</b></li> </ul>
101(4)	<p><b><u>Time for Response by TEC to Objections received from the Approving Authority</u></b></p> <ul style="list-style-type: none"> <li>• Within three (5) working days from the date of receipt</li> </ul>
102 (3) & (4)	<p><b><u>Time for written acceptance of NOA by the successful Tenderer</u></b></p> <ul style="list-style-type: none"> <li>• Within seven (7) days from the date of issuance of NOA</li> </ul>
102(7)	<p><b><u>Time for submission of Performance Security by successful Tenderer</u></b></p> <ul style="list-style-type: none"> <li>• Within fourteen (14) days from the date of acceptance of NOA but not later than the date specified in the NOA for national Tenders.</li> <li>• Within twenty-eight (28) days from issue of the NOA for international Tenders.</li> </ul>
102(11)	<p><b><u>Time for signing of Contract by the successful Tenderer</u></b></p> <ul style="list-style-type: none"> <li>• Within twenty-eight (28) days of the issuance of NOA.</li> <li>• Within twenty-eight (28) days of the issuance of NOA for international Procurement.</li> </ul>
104(a)	<p><b><u>Least Cost Selection of Consultant</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 5 (five) million</li> </ul>
104(d)(ii) (b)	<p><b><u>Single Source Selection of Consultant</u></b></p> <ul style="list-style-type: none"> <li>• Maximum Tk. 1,000,000 (one million) for consulting firms</li> <li>• Maximum Tk. 500,000 (five hundred thousand) for individual consultants</li> </ul>
104 (d) (viii)	<p><b><u>Value of Variation Order for Intellectual and Professional Services</u></b></p> <ul style="list-style-type: none"> <li>• Maximum fifteen percent (15%) of the original Contract price</li> </ul>
113(2)	<p><b><u>Time for preparation and submission of Expression of Interest for Procurement of intellectual and professional Services</u></b></p> <ul style="list-style-type: none"> <li>• Minimum fourteen (14) days for national Procurement</li> <li>• Minimum twenty-one (21) days for international Procurement</li> </ul>
115(3)	<p><b><u>Number of Consultants in a short-list</u></b></p> <ul style="list-style-type: none"> <li>• not less than four (4) and not more than seven (7) Applicants</li> </ul>

	<ul style="list-style-type: none"> <li>• preferably six (6)</li> </ul>
117(19)	<p><b><u>Time for preparation and submission of Proposal for intellectual and professional Services</u></b></p> <ul style="list-style-type: none"> <li>• Minimum twenty-eight (28) days for national Procurement</li> <li>• Minimum forty two (42) days for international Procurement</li> </ul>
127(5)(b)	<p><b><u>Time by which the Head of the Procuring Entity decides or forms committee on professional misconduct, offences etc.</u></b></p> <ul style="list-style-type: none"> <li>• Within (five) 5 working days from the date of receipt of the relevant report</li> </ul>
127(5)(c)	<p><b><u>Time by which the Committee submits its report and recommendation to the HOPE.</u></b></p> <ul style="list-style-type: none"> <li>• Within (five) 5 working days from the date of receipt of the relevant report</li> </ul>
130(e)	<p><b><u>Delivery of Annual Report by CPTU to the Government</u></b></p> <ul style="list-style-type: none"> <li>• Within seven (7) months from the beginning of the current Fiscal Year</li> </ul>