

Challenges in Electronic Government Procurement (e-GP): A
Case Study on e-GP in Directorate of Secondary and Higher
Education (DSHE)

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Challenges in Electronic Government Procurement (e-GP): A Case Study on e-GP in Directorate of Secondary and Higher Education (DSHE)

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Declaration

It is hereby declared that

1. The thesis submitted is my own original work while completing degree at Brac University.
2. The thesis does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The thesis does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Masters in Procurement and Supply Management

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Approval

The dissertation titled “Challenges in Electronic Government Procurement (e-GP): A Case Study on e-GP in Directorate of Secondary and Higher Education (DSHE)” submitted by S.M.A.A.MAMUN,17382004 of 6TH Semester, 2ND Year has been accepted as satisfactory in partial fulfillment of the requirement for the degree of MPSM on
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Abstract

Electronic government procurement (e-GP) facilitates higher quality outcomes for public procurement of Bangladesh through improved accessibility of different stakeholders, create competitive environment for government expenditure, automation improving efficiency and reducing processing costs, ensure greater transparency and accountability. e-GP system is introduced in Directorate of Secondary and Higher Education (DSHE) in 2017. e-GP is an effective tool for reforming public procurement system by implementing appropriate policy and legal framework, effective procurer and supplier activation. For an effective implementation of e-GP system, strong awareness building among stakeholders, capacity building programs, technological frame development are required. To ensure sustainability in e-GP a change management and leadership are also required. Multidimensional changes are required for implementing e-GP in DSHE. Only purchasing new hardware, software or developing infrastructure is not enough to bring changes in DSHE procurement system. Beside this, bring change in the areas of government official and bidder behavior, skills, regulations and legislation, operational policies are also highly required for ensuring e-GP's changes sustainability. Absence of proper change management in government procurement, expected result from e-GP like transparency, efficiency, effectiveness will not reflect in government procurement. This study searches current challenges of implementing e-GP from both hard and soft aspects in DSHE. Finally, some recommendations are put forward based on primary and secondary data of this research. The result shows that lack of transparency, lack of clear understanding about e-GP system among stakeholders; insufficient internet speed, user unfriendly e-GP websites and its operating procedure, complexity in error correction are the challenges in implementing e-GP in DSHE. This study also shows

that e-payment complications, shortage of practical & refreshing training, conflicting procurement rules between donor agencies and government, lack of central database of verified suppliers, lack of IT knowledge of top management and supplier, centralized of authorities by Central Procurement Technical Unit (CPTU), coercion among bidders and lengthy procurement cycle are creating major barriers of successful implementation of e-GP in DSHE. It is very difficult to ensure good governance, performance, and quality without overcoming these challenges. Finally, some recommendations are put forward based on the findings of the study which includes revise training procedure and arrange refreshment training of e-GP, One stop service Centre need to establish for solving any e-GP portal related problem. Moreover, Ensure high internet speed and its continuity, central verified vendor database for smooth evaluation, bring transparency in e-GP by ensuring accountability among stakeholders and create online payment facility for all types of e-GP payment.

Keywords: e-GP, DSHE, Challenges, Stakeholder, Centralization, governance, Accountability

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List of Acronyms

e-GP	Electronic Government Procurement
DSHE	Directorate of Secondary and Higher Education
CPTU	Central Procurement Technical Unit
e-Procurement-	Electronic Procurement
PPA	Public Procurement Act
PPR	Public Procurement rules
PE	Procurement Entity
PA	Procurement Agency
OTM	Open Tender Method
LTM	Lottery Tender Method
ADB	Asian Development Bank
WB	World Bank
BVFM	Best Value for Money
GPPC	Government Procurement Process Cycle
SHED	Secondary and Higher Secondary education division
SEQAEP	Secondary Education Quality and Access Enhancement Project
ICT	Information and Communication Technology
PAAs	Procuring Agencies
PEs	Procuring Entities

Chapter 01

Introduction

1.1 Background

An efficient procurement process can ensure best value-for-money (BVFM) which works as a driving force to optimize the utilization of public resources. This will change political economy by improving governance with greater efficiency, transparency and accountability. Bangladesh has the vision for e-Government by 2021. So, the government of Bangladesh has set high importance to information and communication technology (ICT) based public service provisions. Government has established a “Bangladesh Digital Task Force” and decided that all public procurement would be conducted through the e-GP system by 2016. Bangladesh launched electronic government procurement (e-GP) in 2011 which was rolled out in 2012. Bangladesh e-GP system is the most comprehensive one, starting with procurement planning up to the final payment including contract management and performance measurement. It has been embraced both by the public sector and the bidding community. With rapid progress, the e-GP is contributing in increase economy, efficiency, and transparency and reduces transactional costs (World Bank, 2017).

Electronic government procurement introduced in pilot basis in four key public sector agencies: the Bangladesh Water Development Board, the Bangladesh Rural Electrification Board, Local Government Engineering Department, Roads and Highways Division. These sectors collectively spent about half of Bangladesh’s annual development program (WB, 2015).

In Bangladesh, electronic government procurement (e-GP) is developed, owned and functioned by the Central Procurement Technical Unit (CPTU), IME Division of Ministry of Planning. The e-GP system is a web portal. By this portal Procuring Agencies (PAs) and Procuring Entities (PEs) get online procurement platform (CPTU, 2011).

e-GP brings a sustainable transformation in public procurement. It is an effective and transparent procurement system frees up public money for achieving more and better development outcomes and improves the output of public services. e-procurement enhances efficiency, transparency, increased competition and overall, better delivery of public services. e-GP creates a substantial impact on public services such as water, health, education, and others. Bangladesh spends one third of its annual budget on public procurement. In 2017, \$13 billion has spent on the public procurement for implementing different development programs. Bangladesh has annually saved 150 million dollar in 2017 through e-GP(Islam, Zafrul, 2018).

1.2 Statement of the Problem

Electronic government procurement (e-GP) removes the barriers of space and time. It is more transparent public procurement system. In online government procurement related information can now easily access 24/7. e-GP provides opportunities to introduce innovative measures using information and communication technology (ICT) to streamline Bangladesh government public procurement for greater efficiency and economy . It will help more to improve governance and reduce corruption, particularly when it will integrate with other functional areas of government such as budget, tax, and audit. Bangladesh launched electronic government procurement (e-

GP) in 2011 which was rolled out in 2012. e-Tendering and eCMS (eGP) is in operation on pilot basis and eventually being rolled out to all PEs of four Agencies. These are Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Rural Electricity Board (REB) and Roads and Highways Department (RHD).there are total 58351 national and international tenderers registered in e-GP portal (e-procurement, 2019). There are fifteen thousand five hundred (15,500) government and nongovernment officials have received trainings on public procurement. Over 28,000 tenders valued at about US\$3 billion have been processed through e-GP as of August 2015 (WB, 2015).

DSHE is enrolling in e-GP system in 2017. But all government procurement related activities in DSHE is still not covered by e-GP system. Different obstacles make this process delay. The researcher's findings and analysis from primary and secondary data will help us to specify the challenges of implementing e-GP system in DSHE and solution of these challenges.

1.3 Objectives and Research Questions of the Study

1.3.1 Research Objectives

The purpose of this study is to know the current condition of e-GP implementation in DSHE. Later, it identifies the physical, logistic and technical problems in implementation of e-GP in DSHE. The more specific objectives of this study are

- a) To identify the challenges in implementing e-GP in DSHE.
- b) Provide recommendations for overcoming these challenges for successful implementation of e-GP in DSHE.

1.3.2 Research Question

In respect to the above objectives the following research questions are important consideration.

- a) What are the current e-GP practices in DSHE?
- b) What are the challenges of implementing e-GP in DSHE?
- c) What are the possible solutions of the problem?

1.4 Methodology of the study

The nature of the study is a survey research where the researcher has explored the challenges to implementing e-GP system in DSHE. Both qualitative and quantitative data are collected for this research for clear understanding of the research problem. DSHE has been selected as a study area. The government officials and suppliers related to e-GP of DSHE are considered as Population of the study. Purposive sampling used to select the sample. The sample size is twenty persons. There are two categories of samples, among them ten are DSHE's government office personals and rest ten is collected from suppliers/Bidders. Data was collected from two sources; these are Primary sources and Secondary sources. This study is conducted based on Primary data. Primary data is collected from DSHE office personal and suppliers .To collect data from online Newspaper, organizational Official records, research work, journals, internet browsing etc. are the secondary source of this research. Interview schedule is used as data collection technique. Notebook is used as an instrument for collecting information. Open ended questions are included in Interview Schedule and it is written in Bangla to make it understandable for all. The Interview schedule is developed and finalized by the direct guideline of my supervisor .After formulating the interview schedule; it has been pre-tested, modified and reorganized some parts of

the Interview Schedule. After collecting data, findings have been analyzed as well as display in charts and tabulated properly based on the characteristics of data.

1.5 Scopes and Limitations of the Study

In fiscal year 2016-17 total allocation for ministry of education was 5868.71 cores and expenditure was 98.93%.In fiscal year 2018-2019 total allocation for Secondary and Higher Secondary education division is 6014.17 cores taka (Retrieved from <http://www.shed.gov.bd/>).This research area only covers procurement activities by e-GP system in DSHE . Time is the key limitation of this study. For time constrains only 20 people were interviewed for this survey. All the Information may not be easily accessible or disclose because of Government rules and regulations.

1.6 Organization of the Research

This research report has four Chapters. They are discussed below:-

Chapter 1 discusses about background, statement of the problem, objectives of the study, core research questions and research methodology.

Chapter 2 focuses on the literature review of the research. This chapter will give a vivid picture of DSHE, procurement, e-Procurement, electronic government procurement, process of e-GP by CPTU I Bangladesh. Relevant e-GP document of the world Bank and ADB are also reviewed in this chapter.

Chapter 3 describes the findings and analysis of this study.

Chapter 4 provides conclusion and recommendations of this research.

Chapter 02

Literature review

The Bangladesh government has planned to implement e-GP in public Procurement .It is a way of digitalization in public procurement. DSHE has introduced e-GP in 2017. In this chapter different function and activities of DSHE are presented. Moreover, different research problem related terms are defined in below. After that, the benefits of implementation of e-Gp in other countries and its challenges are focused as well.

2.1 Directorate of Secondary & Higher Education (DSHE)

Education is the key to a nation's development. Education is the principal means to achieve the goal of poverty alleviation. A properly educated nation, which is modern in genius and intellect and forward-looking in thinking, can only put the country at the zenith of its development. The Government of Bangladesh places great importance on education and in this regard the Government has been trying to transform its huge population into human resource. Education for All (EFA) is the constitutional responsibility of the government. The present education system of Bangladesh may be broadly divided into three major stages, viz. primary, secondary and higher education. Primary education is imparted basically by primary level institutions. Secondary education is imparted by junior secondary and higher secondary level institutions. Higher education is imparted by degree pass (3 years), degree honors (4 years), masters (1 & 2 years) and other higher level institutions of equivalent section of other related institutions.under the overall supervision and guidance of the Ministry of Education (MOE), the Secondary and Higher education

system of Bangladesh is being managed and administered by the Directorate of Secondary & Higher Education (DSHE). The Directorate is headed by a Director General who is responsible for administration, management and control of secondary and higher education including madrashas (institutions imparting religious education) and other special types of education. The Director General is assisted by 4 Directors who performs their duties through Deputy Directors, Assistant Directors and Research Officers at its head office and also by field level offices located at divisional, district and upazilla level. The Directorate controls approximately 29569 secondary, higher secondary & tertiary level institutions consisting of 412526 teachers and 13840164 students. DSHE has a total of 67 Class one, 11 Class two officials, 166 class three and 50 class four staff at its head office. It has 234 officers and staff at the 9 zonal offices and 684 officers and staff at 64 District Education Offices in addition to 2372 officers and staffs at the upazilla level.

DSHE is working towards providing educational facilities available to all to produce enlightened people who can contribute to the development of Bangladesh vis-a-vis poverty alleviation and attain the Millennium Development Goal (MDG) by 2015. In order to address the issues at the secondary and higher levels, DSHE is focusing on quality improvements and specific actions to raising the quality of service delivery and improving equity of access in secondary and higher education.

DSHE aims and objectives of secondary education are to help develop learners' latent intellect and comprehensive inner faculties, to develop a learner with competencies so that s/he can compete in the job market, especially in the economic sector of the country, to impart quality education at this primary level to extend and consolidate the knowledge, acquired during primary education to help the students acquire a strong foundation of quality higher education, to make efforts to mitigate

discriminations among various secondary educational institutions and among various socio-economic, ethnic and socially backward groups, special steps will be taken to support advancement of education in the backward regions as long as necessary, to design, continue and implement a uniform curriculum and syllabus for the selected subjects, irrespective of streams.(National Education Policy,2010)

Secondary Education Quality and Access Enhancement Project (SEQAEP) is aided by the World Bank and now running with additional financing provided in 2014. It is scheduled and framed with 13 sub-components. Institutional Capacity Building is sub component is one this, Under this sub-component, capacity building of stakeholders over the modality of implementation of all interventions, local and foreign training to PIU personnel and stakeholders involved in implementations have been scheduled in the project. During the period July-December 2015, some training program and workshops have been arranged at Dhaka and in the field levels for developing their capacity. In particular, training and workshops were on procurement training to 23 personnel, E-GP training to 23 personnel, training on ICT to 01 thousand 7 hundred 79 teachers, sharing knowledge with concerned organization of Brazil & Philippines, orientation to USEOs and ACTs etc(M&E report,2015).

DSHE is preparing budget and disbursement for all government institutions and offices under DSHE. Implementation of Electronic Government Procurement (EGP) at DSHE and in some of its projects & Programs like Secondary Education Sector Investment Program (SESIP), Secondary Education Quality and Access Enhancement Project (SEQAEP) etc. and also bringing more projects under e-GP.DESH is working as Organization admin in e-GP. It is carrying out most procurements of SESIP Tranche2(Available at <http://www.dshe.gov.bd/>).

2.2 Procurement

Different Authors have defined procurement from different perspectives. Two definitions are given below.

“Procurement and supply management involves buying the goods and services that enable an organization to operate in a profitable and ethical manner.”(CIPS, 2019)

“Complete process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment”

(Business Dictionary, Available at <http://www.businessdictionary.com>).

2.3 e-Procurement

Different Authors have defined e-procurement from different perspectives. Two definitions are given below.

"... Many companies are finding e-Procurement [to be] an effective way to maintain their supplier lists. E-Procurement gives companies the ability to compare supplier prices, service levels, and product quality (Jaeger, 2011).

“ From a conceptual perspective, e Procurement is very similar to the classical tendering process: it helps companies source input products and services at the lowest possible cost while ensuring that those inputs meet technical and other specifications” (Ong, 2002).

2.4 e-GP

e-Government procurement (e-GP) as the collaborative use of Information and communications Technology (especially the Internet) by government agencies and other actors of procurement community in conducting all activities of Government

Procurement Process Cycle (GPPC) for the acquisition of goods, works, and consultancy services with enhanced efficiency in procurement management. e-GP System is a web based system which encompasses the total procurement lifecycle and records the all procurement activities. The purpose of this system is to maintain complete and up-to-date Public Procurement System activities of all public agencies as well as provide tender opportunities to all potential tenderers from Bangladesh and abroad (CIPS, retrieved from <https://www.cips.org/>).The vision of the e-GP is to enhance the efficiency and transparency in public procurement through the implementation of a comprehensive e-GP solution to be used by all government organizations in the country. Initially, on pilot basis, it was applied to a few Procuring Entities (PEs) of four target agencies namely Bangladesh Water Development Board (BWDB), Rural Electrification Board (REB), Roads and Highways Department (RHD), Local Government Engineering Department (LGED) and Public Works Department (PWD), in Bangladesh. The System, later on, will be rolled-out across all the procuring entities in a phased manner. The e-GP System has been implemented in twophases:

- e-Tendering System: Covering complete e-Tendering processes such as centralized user registration, preparation of Annual Procurement Plan (APP), preparation of Bid\Tender document, preparation of Bids/Tenders, invitation of Tenders, sale of Tender Documents (eTD), conducting online pre-bid meeting, collection of bid\Tender security, on-line Bid\Tender submission, Bid opening & evaluation, negotiations (where applicable), and contract awards.
- e-Contract Management System (e-CMS): Covering complete e-Contract Management processes, such as preparation of work plan and its submission, defining milestone, tracking and monitoring progress, generating reports, performing quality

checks,generating running bills, vendor rating and generating completion certificate. e-Tendering and eCMS (eGP) is launched successfully on pilot basis and eventually being rolled out to all PEs of four Agencies they are:- Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Rural Electricity Board (REB) and Roads and Highways Department (RHD) and Public Works Department (PWD). It is now expanding to all government procuring entity dealing withpublicprocurement.All the stakeholders, including Bidders/Tenderers / Applicants /Consultants(NationalandInternational), PEs, procurement related Committees, payment service providers, Development Partners (DPs), media, Operation, Maintenance and Management Entity (OMME), e-GP system administrators, auditors and general public are getting access to e-GP system and information as per the Terms and Conditions of Use and Disclaimer and Privacy Policy. The e-GP system shall be used by all concerned, for procurement of goods, works and services using public fund, following the „Government Procurement (e-GP) Guidelines“ prepared under the provision of Section 67 of the PPA -2006 and Rule 128 of PPR-2008 and issued. The e-Government procurement (e-GP) is the collaborative use of Information and communications Technology (especially the Internet) by government agencies and other actors of procurement community in conducting all activities of Government Procurement Process Cycle (GPPC) for the acquisition of goods, works, and consultancy services with enhanced efficiency in procurement management. This e-GP System Comprises of following key Modules/Functionalities: Centralized Registration System (Contractors/Applicants/Consultants, Procuring Entities and other actors of e-GP), e-Tendering (e-Publishing/e-Advertisement, e-Lodgment, e-Evaluation, e-Contract award) System, Procurement Management Information System

(PROMIS), Workflow management System, e-Contract Management System (e-CMS), e-Payment System, System and Security Administration, Handling Errors and exceptions, Application Usability & Help. The objective of establishing e-government is to materialize the run-up to a Digital Bangladesh. On all fronts of governance there should be electronic operation to save time, reduce hassles and ensure transparency through widening access to public information. As part of that process, the government has initiated the process of electronic government procurement (e-procurement, available at www.eprocure.gov.bd).

The Asian Development Bank (ADB) conducted a survey in 2017 to know about the current status of e-Government Procurement (e-GP) implementation in its Developing Member Countries (DMC). A survey questionnaire was sent out to a total of 40 countries of which 33 responded. This survey is designed as a follow-up to the surveys ADB had earlier conducted in 2014 and 2011. The survey respondents were broadly classified as under: Countries did not participate in the 2014 survey, Countries participated in 2014 survey and had not implemented e-GP system & Countries participated in 2014 survey and had implemented e-GP system. In 2014 sought data under 4 sections. They are Eco-system readiness-GP implementation plan , e-GP implementation experience & e-GP on Software As A Service (SAAS) model and in 2017 survey sought to obtain detailed information about e-GP implementation status, Authentication framework, Use of e-Reverse Auction, System malfunction & Post-tendering implementation(Somasundaram,Dr., 2017).The launch of e-GP systems got initiated in 2000, wherein China, Malaysia and Philippines pioneered its implementation. There was a lull in introduction of e-GP systems for a decade. During 2010-2011, many countries in the SARD (South Asia Department), CWRD

(Central West Asian Department) and SERD (Southeast Asia Department) regions initiated implementation of e-GP. Since 2016, many countries in the (PARD) Pacific department region initiated implementation of e-GP. Bhutan initiated pilot implementation of e-GP in 4 Purchasing agencies. Kazakhstan plans to transition out to a new e-GP system in 2018 and Malaysia is in the process of implementing a new e-GP system. A total of 8 countries including Bangladesh had reported having System malfunction policy in 2014 survey. This number increased at 14 after the 2017 survey. Bangladesh start e-GP operation on 2011 where Malaysia, china, Philippines go live on 2000 and at last Bhutan at 2017. Bangladesh had Implemented e-GP Functional Modules:-e-Publication, e-bidding, e-payment, e-contract management. But Bangladesh do not have e-market place, e-Reverse Auction, Pre-Tendering, e-knowledge, e-Forward Auction. Bangladesh had adopted electronic Authentication Framework both for supplier and government official like others 12 countries .This survey also shows Challenges in Implementation of Post Tendering Module in 15 countries. They are Nepal, India, Malaysia, Uzbekistan, Kazakhstan, Georgia, Vietnam, Kyrgyz Republic, Mongolia, Tajikistan, Armenia, Thailand, Philippines, China, Nauru. Among this countries only two countries lack of IT infrastructure made barrier of in Implementation of Post Tendering Module. Eight out of fifteen countries have Lack of Standardization and twelve countries have change management as challenge and only three countries have Resist Transparency and Fiscal Discipline challenges (Somasundaram,Dr., 2017).

Transparency is a big dividend in procurement (Riddihough, Dr., 2017). There is no doubt that strong institutions committed to principles of integrity, efficiency and professionalism are essential for economic growth and development. e-Government Procurement makes public procurement more strategic and serves as an

effective innovation to institute procurement reforms with greater performance in terms of efficiency, transparency, competition, fairness and value for money. It also provides a wealth of information to decision makers, the private sector and citizens alike, on the performance of public procurement. World Bank, we are committed to procurement reforms with a view to improving market efficiency and better service delivery. It is well understood, and illustratable with examples from many parts of the world, that weak procurement systems steer investments away from development and hence minimize the impact on poverty reduction and shared prosperity. Moreover, in a fast changing world, modern and efficient procurement systems are key contributors to efficient delivery of services to citizens, our ultimate stakeholders. The World Bank itself has made far-reaching changes in its procurement regime and new Procurement Framework is geared to provide more flexibility, choices and strategic approaches to the procurement of goods, works and services for the clients. (Riddihough, Dr., 2017)

e-GP implementation helps to increase vendors competition in public procurement .It will increase participation in tender and will help to reduce procurement cycle time. It helps to build trust and efficiency in procurement process. By e-GP, Government different departments coordination will be increased and cost will be reduced in procurement. In overall, e-GP will improve public procurement quality in terms of achieving better efficiency and effectiveness.

Chapter 03

Analysis and Findings

To identifying the problems adequate data is required. To conduct research in DSHE office both primary and secondary data are collected to understand the challenges. Most of the secondary data are collected from different websites and primary data are collected from government officials those who have working experience in procurement in e-GP system in DSHE and from the bidder's e-GP representatives. Survey schedule is used for primary data collection.

The interview schedule findings are presented into two parts. First parts show the general perception (soft aspects) about e-GP of the stakeholders (government officials and suppliers). Lastly, the physical, logistic challenges of e-GP (hard aspects) are taken into consideration.

In total sample size is 20 person of this study. Among them 19 were male and only one respondent was female. It shows that highest percentage Of Responded 95% were male and only 5% were female respondent. Education is also important, because of the generalized thinking that it makes a person aware. Generally the level of education determines the knowledge. The following table represents their education level. It has been observed that about 50% of the respondent have complete their post-graduation, 10% completed graduation, 25% have higher secondary school certificate and 15% completed secondary school certificate degree.

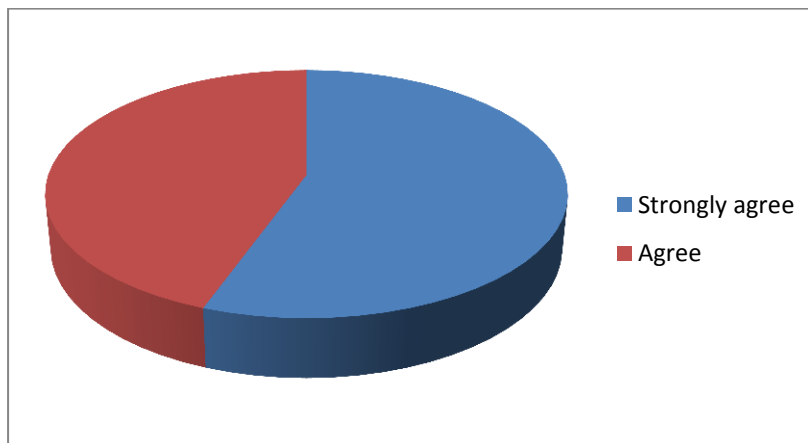
It has been observed that about 60% of the respondents have working experience more than three years and 25% have working experience for one to three years and 15% have below working experience than one year.

Among that 50% of the respondents have training on public procurement. It has been observed that almost all respondents 100% have relation with goods procurement. Only 60% of total respondents have experience in work procurement and only 10% of the respondent are related with service procurement.

85% of the respondents have training on e-GP .other 15% have training on three week basic training on public procurement but do not have e-GP training. Out of 20 respondents 35% have working experience less than a year, 45% have working 1-2 years ,more than two years and less than four years is 15% and 5% have working experience more than 4 years.

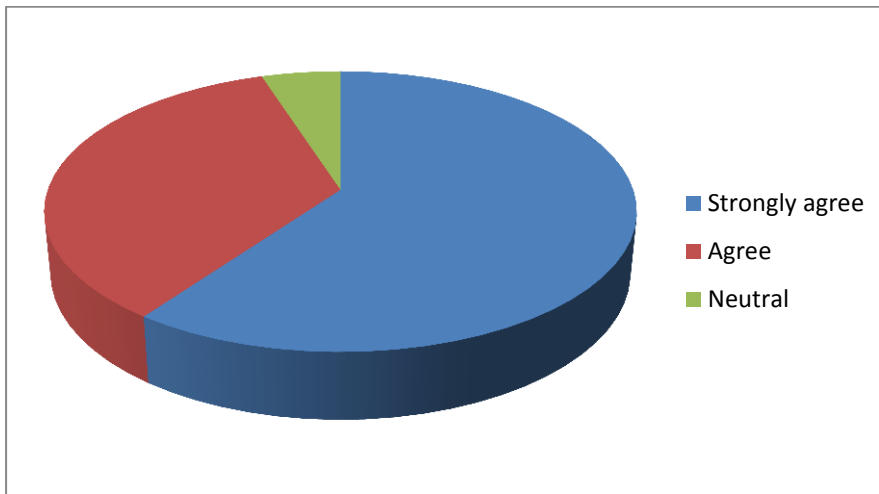
The respondents were asked whether they get more flexibility in tender submission .Figure 1.1 shows that 50 percent strongly agreed with this where 40 percent agreed with this statement.

Figure 1.1 Flexibility in submitting tender in e-GP



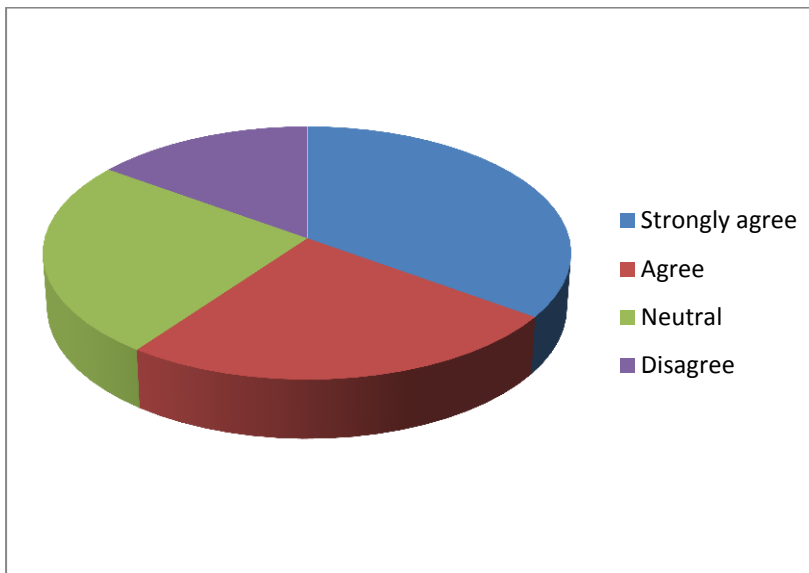
In the question of preferring e-GP than paper based tendering method, 60 percent of the respondents strongly agreed with preference of e-GP where 35 percent agreed with this statement and 5 percent were neutral about this.

Figure 1.2 e-GP is preferable/ more suitable than paper based procurement



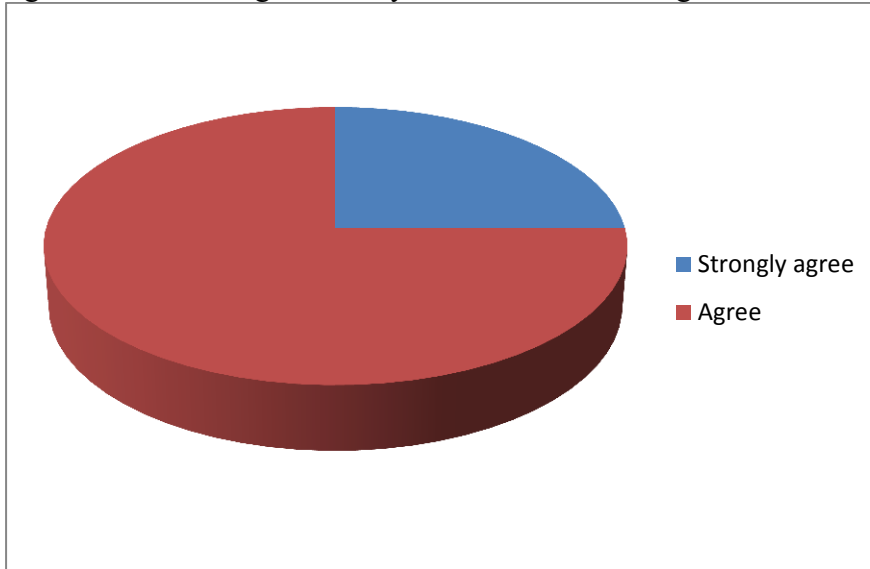
This study shown that, most of the respondents gave positive response about equal access to the Bidders in e-GP system. In Figure 1.3,35 percent strongly agreed with equal accessibility of bidders where 25 percent agreed with this statement. 25 percent were neutral and 15 percent disagreed with this.

Figure 1.3 e-GP systems ensuring equal access to the Bidders



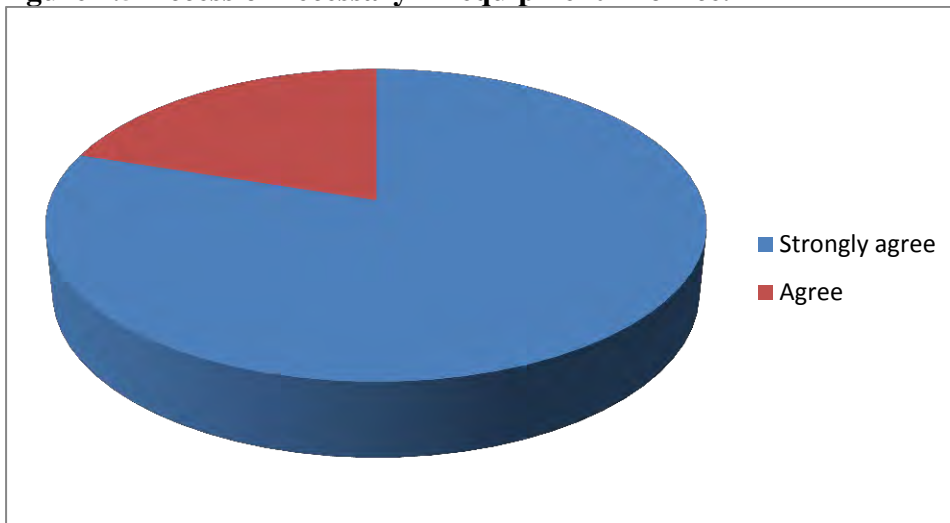
The respondents were asked whether Procurement performance are improved by ensuring efficiency and effectiveness in the e-GP system .Figure 1.4 shows that 25 percent strongly agreed where 75 percent agreed with this statement .

Figure 1.4 Increasing efficiency and effectiveness in government for the e-GP system



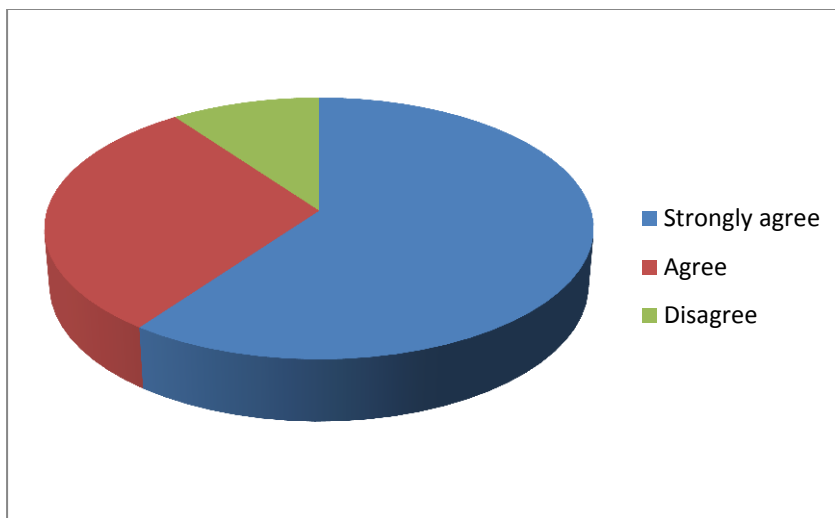
For transferring paper based public procurement into electronic procurement, IT equipment availability has to ensure. Both in government and suppliers need to have available IT hardware access. The respondents were asked whether they have necessary IT equipment like computer, printer, and photocopier etc. for work in e-GP system. Figure 1.5 shows that 80 percent strongly agreed with this where 20 percent agreed with this statement.

Figure 1.5 Access of necessary IT equipment in office.



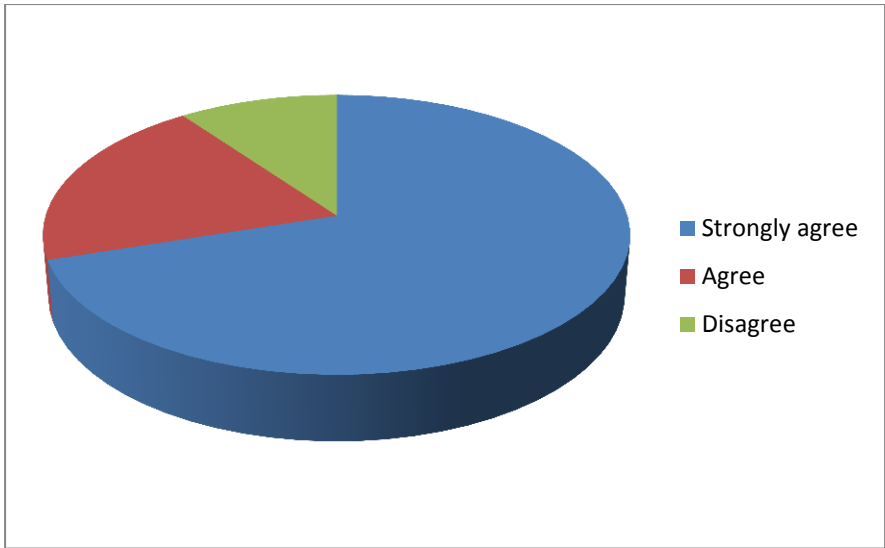
Uninterrupted power supply is required in office room for continuity in e-GP portal activity. Electrical power failure is a problem for digitalization in public procurement. UPS are giving very short time support. So after power failure they do not get enough time for save their document. Most of the respondent use desktop. After power failure the internet connection become disconnect. So UPS support is not worthy in that case. The respondents were asked whether power supply is uninterrupted in their office .Figure 1.6 shows that 60 percent strongly agreed with this where 30 percent agreed with this statement .In contrast, 10 percent disagree about this. All respondent do not have UPS or generator for alternative power supply.

Figure 1.6 Uninterrupted power supplies availability



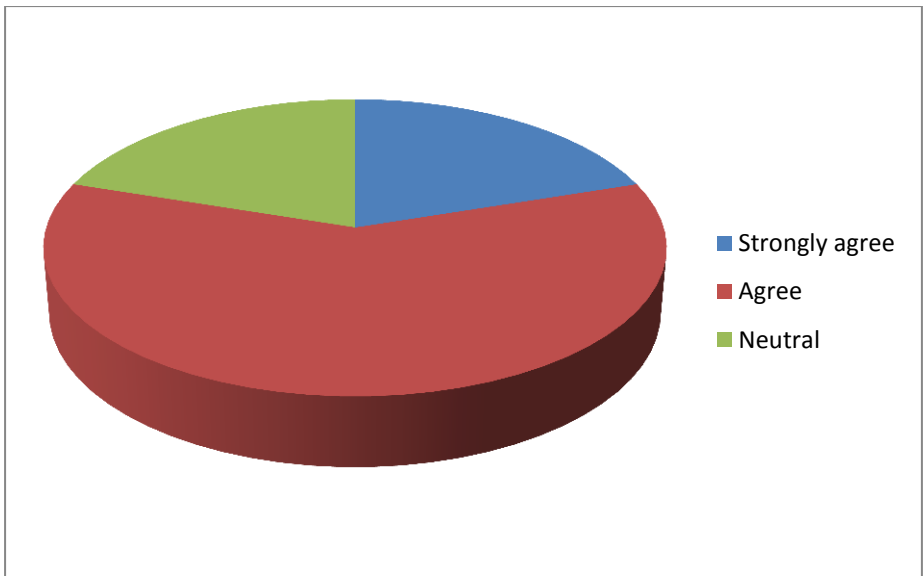
The respondents were asked about technical know-how of computer, update internet browser, software to work in e-GP system. Figure 1.7 shows that 70 percent strongly agreed with this where 20 percent agreed with this statement .In contrast, 10 percent disagree about this. The respondent added that the government training is not enough for working in e-GP portal.

Figure 1.7 Necessary IT knowledge and skills to work in e-GP portal



The respondents were asked whether in e-GP system, it has less possibility to doing common error while submitting tender than paper based tender submission .Figure 1.9 shows that 20 percent strongly agreed with this where 60 percent agreed with this statement. 20 percent were neutral about this.

Figure 1.8 e-GP system prevent doing common mistakes/error

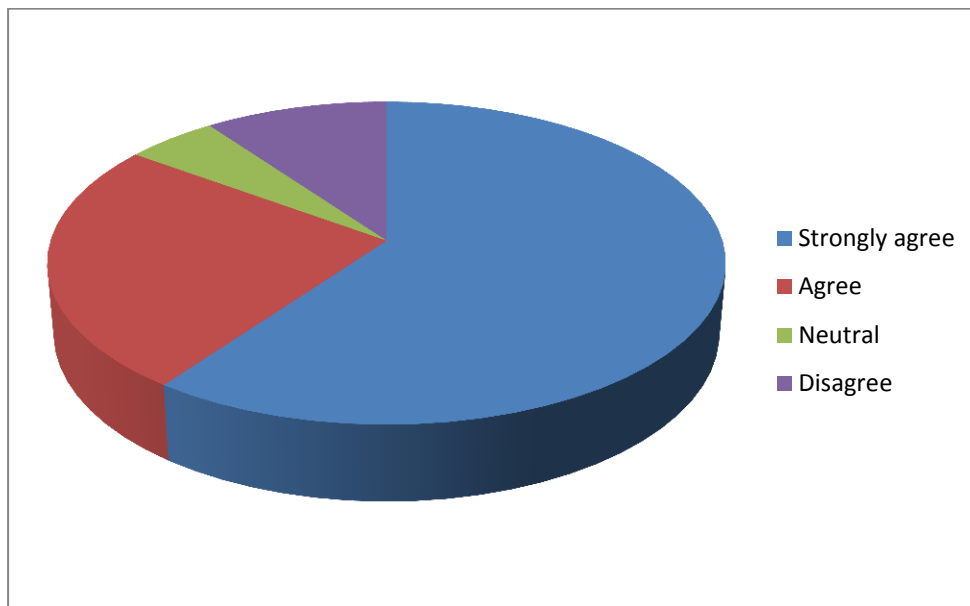


The study result shows that different challenges are the barrier for successful implementation of e-GP system in DSHE. These challenges are discuss in below.

3.1 Lack of transparency in e-GP system

The core success of e-GP tools is ensuring transparency in public expenditure. But, does e-GP system in DSHE can ensure transparency? The respondents were asked whether e-GP helps to ensure transparency during in government procurement. Figure 1.10 shows that 60 percent strongly agreed with this where 25 percent agreed with this statement 5 percent were neutral and 10 percent disagree about this.

Figure 1.9 e-GP roles to ensure transparency during in government procurement



All e-GP online portal activity is controlled centrally by CPTU. CPTU officials may also do corruption. CPTU management has database of all registered users ID and password. They can abuse this database information for doing corruption. One respondent added

“CPTU analyst has database of our user ID and password. So, for participating in OTM when we fill up schedule and give goods supply rate in e-GP portal, the secret

rate can be exposed by CPTU to other tenderer by misusing our password". He also added that in most cases at the last moment of proposal submission deadline e-GP server does not work. CPTU does it intentionally for money. Corruption is still present in tendering method in different ways. Respondents addressed this as "digital corruption" .It took place in the name of "technical error". In lottery tender method (LTM) corruption took place in the name of software error. One respondent said

"One supplier may have several user accounts in different name. When tender advertisement published in e-GP portal in LTM, all users (tenderer) are unable to participate in it because Proposal ID has not shown in every user account. Tenderers cannot fill up tender schedule without tender proposal ID. By this corruption took place in LTM method." He also added

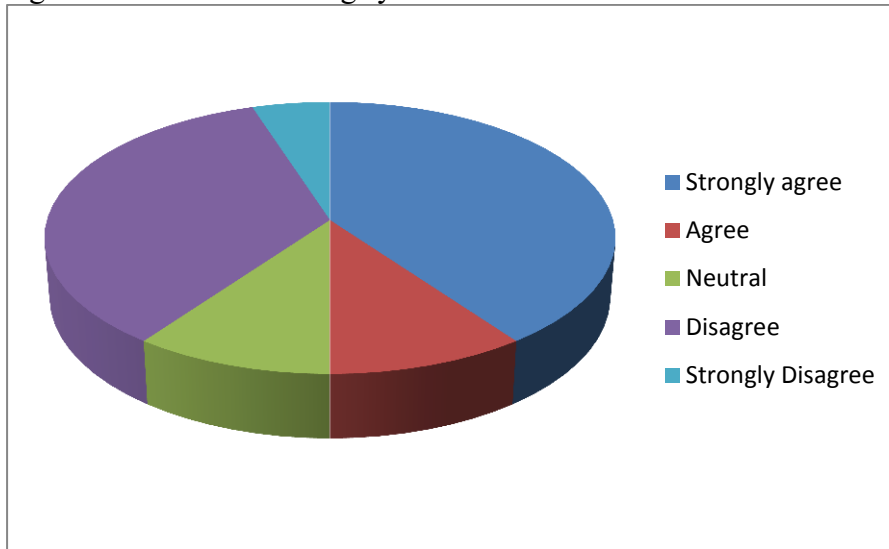
"In OTM, many times suppliers submit false turnover rate, liquidity amount, experience certificate but they get contract awarded because government officials help the supplier to get contract award. By this process in e-GP system, corruptions are ongoing."

This study shows that corruption can easily take place though the public procurement is digitalized. Change management along with positive leadership is required for achieving success in implementing e-GP .

3.2 e-payment complications in electronic government procurement

Payment system for e-GP is still not fully online based. Not all banks and theses bank branches are allow e-GP payments. The respondents were asked whether online payment save time .Figure 1.10 shows that 40 percent strongly agreed with this where 10 percent agreed with this statement .In contrast, 10 percent neutral ,35 percent disagree and 5% strongly disagree about this.

Figure 1.10 Online banking systems in e-GP.



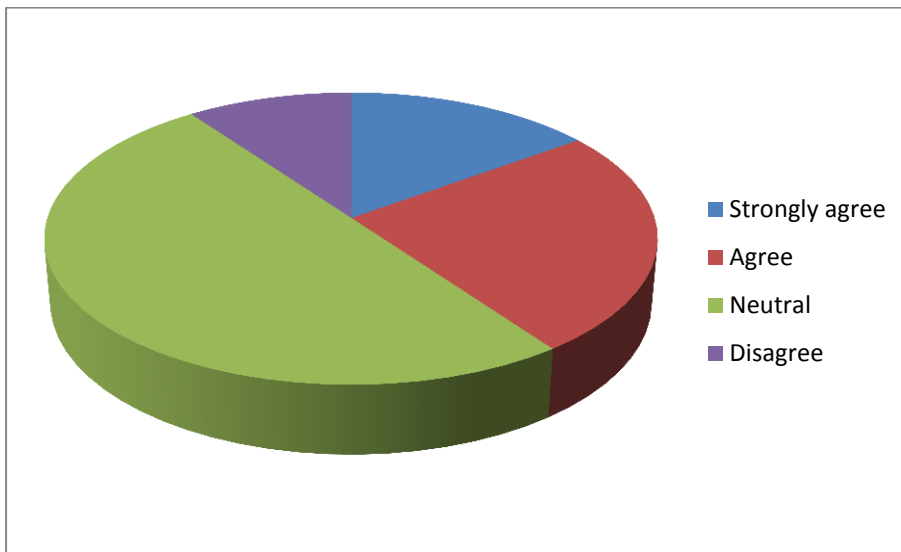
One of the suppliers added

“Only few payments like registration fee, schedule fee etc. can be paid by online banking system. But you can pay for less than five schedules in a day and less than 100 schedule in month .Only BRAC and Datch Bangla online banking payment system support this. For submitting more schedule payment, you have to go to bank. Supplier performance Guarantee fee along with many other fees’ still have to be paid in bank by spending whole day in banking hour. “

3.3 Lack of clear understanding about e-GP process

This study shows that top management (both government and supplier) do not have clear understanding about working process in e-GP portal. So they share their user account password with others for continuity of work in e-GP. Big farms (Suppliers) have own staffs for completing tendering works. But small suppliers depend on third party (outside computer Centre shops). In contrast, the government officials and the supplier’s appointed staff have skill and clear understanding about e-GP. The respondents were asked whether they have clear understanding in e-GP process. Figure 1.11 shows that 15 percent strongly agreed with clear understanding about e-GP where 25 percent only agreed with this 50 percent were neutral and 10 percent disagreed with this.

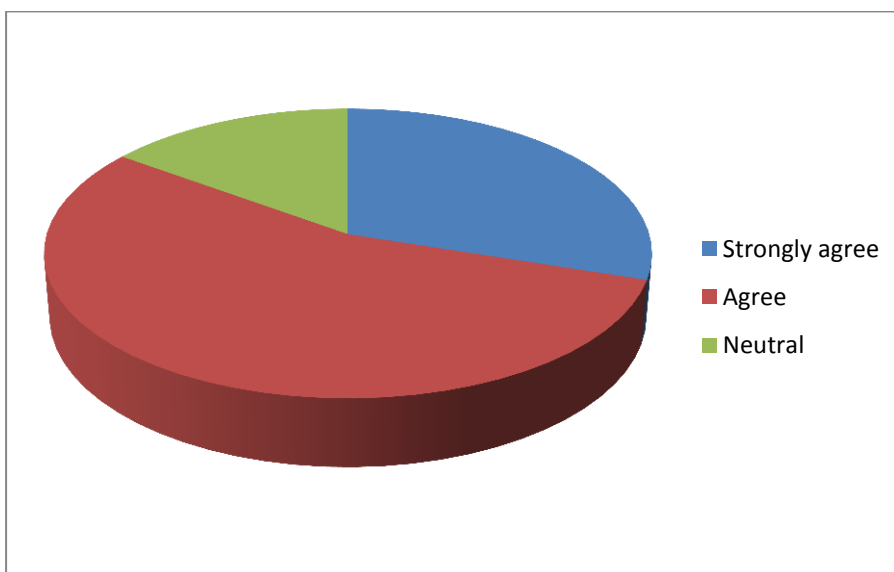
Figure1.11 The understanding about e-GP system



3.4 Lengthy procurement cycle time in e-GP

One of the expectations from the e-GP system is that it will reduce procurement cycle time, which will save government costs. However, the e-GP system is unable to maintain the time frame and reduce time as expected for many reasons. Respondents were asked whether the procurement cycle time has been reduced in the e-GP system. Figure 1.12 shows that 30 percent strongly agreed with it, while 55 percent agreed with this statement. 15 percent were neutral about this.

Figure 1.12 Procurement cycle time has been reduced in e-GP system



No central verified supplier's database is available for evaluating tender participant .For that reason, similar supplier's papers are going to evaluate several times by different government entities. It wastes both money and time .For this tender evaluation committee unable to complete evaluation on time. One of the respondents added

“Procurement cycle time frame which mentioned in public procurement is not possible to follow in most cases. We have to justify each tenderer papers like experience certificate, licenses authentic or not. It's a cross functional work. We have to do it manually. No central information database of suppliers is available for this. For document justification and government holidays we fail to maintain time frame.”

Moreover ,when donor terms are contradict with Bangladesh government procurement act is made this situation worse .A huge time waste for get authorization from donor agencies. Respondent added

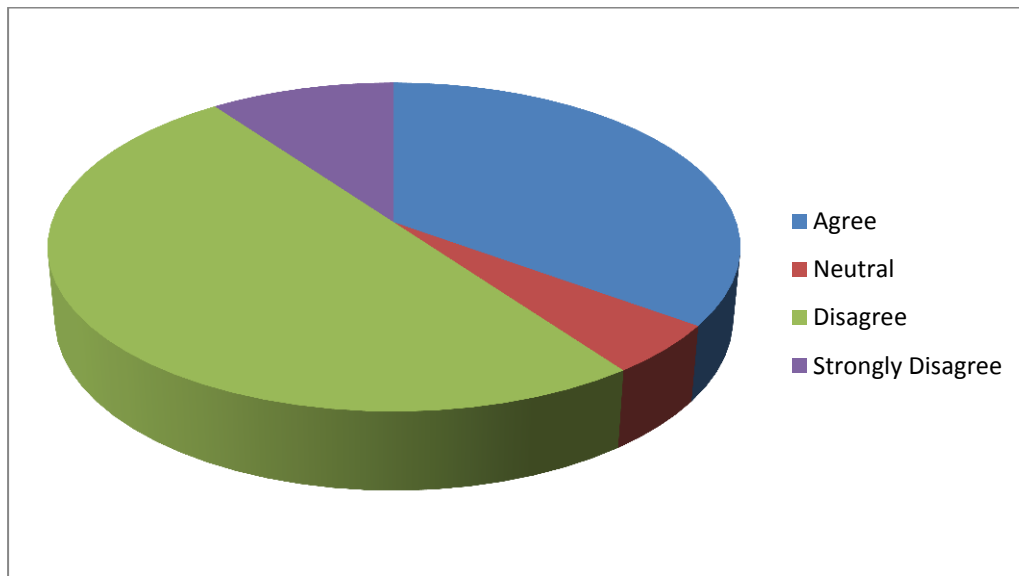
“If the procurement is funded by foreign donor agencies they delay because of different issue. IF any procurement term contradicts with donor agencies, it takes much time for solving this issue” .he further mentioned

“In OTM method, lowest bidder get priority than others bidder .last year, I had to procure some computers for my project. A bidder submitted lowest price of HP brand computer and submitted turnover experience certificate. For verifying all this, I had to send e-mail in HP head office. HP office replied this is not their supplier. This Bidder submitted turnover experience certificate was also false. Lot of time spent, for verifying this lowest bidder.”

3.5 User unfriendly e-GP web portal

The respondents were asked whether e-procurement website of CPTU is user friendly. Figure 1.13 shows that 35 percent agreed with this statement. 5 percent were neutral, 50 percent disagreed and 10 percent strongly disagreed about this.

Figure1.13 The e-GP portal is user friendly



In e-GP web portal server becomes slow and timeout for late server response and many times webpage do not open or showing server error. One of the respondents added

“When I fill up information in online, it gets blank and reset without any saving. I had to do it again and again and many times show logout automatically from my user ID. Its frequency is high when we fill up bill of quantities information.”

Registered user log in password recovery process is complex in e-GP. Putting wrong user ID and password may cause block of the user account. One of the respondents added

“If I put wrong user password for several times, the system will lock my user ID. This recovery system is difficult. Without the help CPTU account access cannot be recovered”

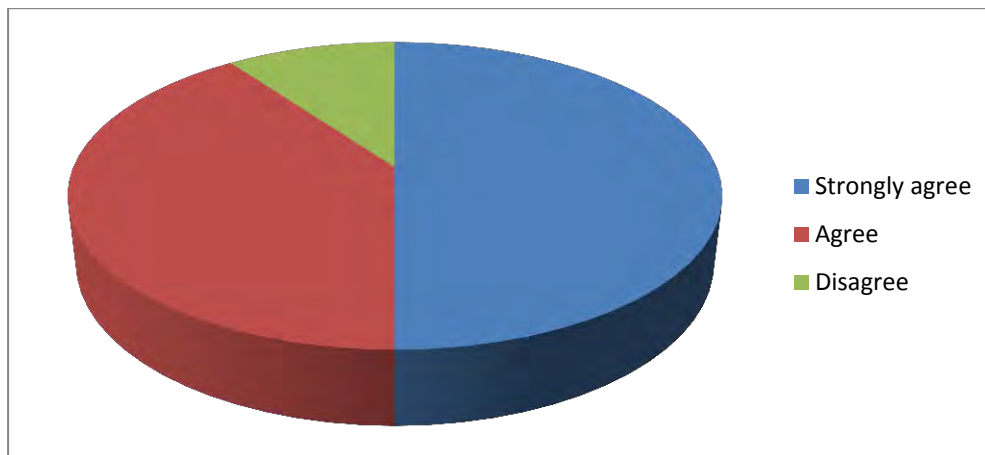
Working in e-GP portal is not user friendly. No easy way to error correction. operation process of e-GP is difficult. One of the respondents added

“It is difficult to working in e-GP website. If I make a mistake there is no way to solve it without CPTU’s help .For any kind of problem, we have to depend on CPTU. For example if bidder is unable to see any proposal we (DSHE) have to call meeting with CPTU for solving the problem.”

3.6 Coercion of different stakeholders is ongoing

The respondents were asked whether e-GP helps to reduce coercion of different stakeholder .Figure 1.14 shows that 50 percent strongly agreed with this where 40 percent agreed with this statement .In contrast, 10 percent disagreed about this.

Figure 1.14 e-GP system reduce coercion of different stakeholders



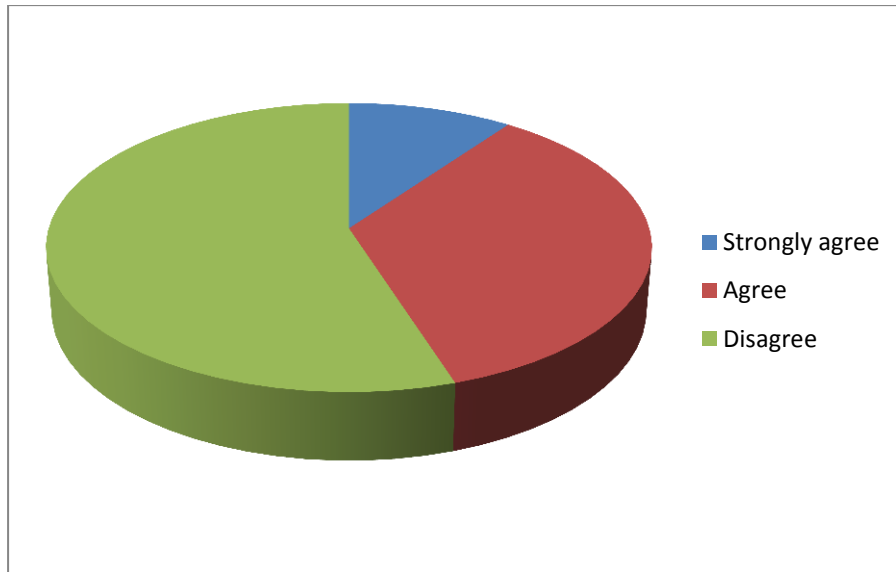
Although most of the respondents agree that e-GP reduces coercion but still bidder is forced by different groups after got contract award. One of the respondents said

“After got contract award, we have forced by other tenderer for giving percentage of the contract award money.”

3.6 Insufficient internet speed The respondents were asked whether there office’s has sufficient internet speed to work in e-GP system .Figure 1.15

shows that 10 percent strongly agreed with this where 35 percent agreed with this statement . In contrast, 55 percent disagree about this.

Figure 1.15 Sufficient internet speeds are available to work e-GP system.

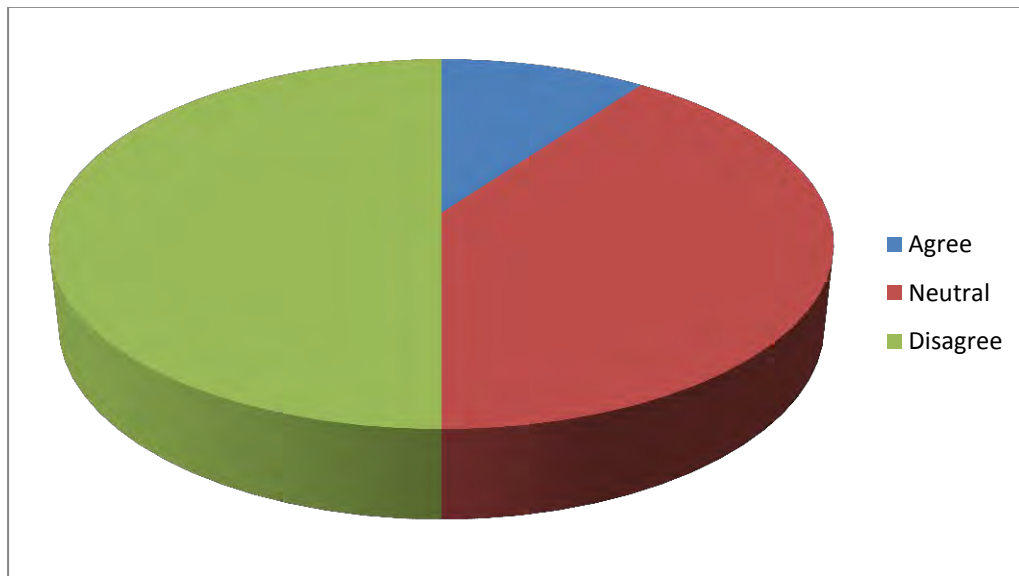


Lack of uninterrupted internet connection is a strong barrier for implementing e-GP in DSHE. In DSHE office computer internet connection has low speed and uninterrupted internet connection is not available for all procurement officers. Similarly, supplier also do not have uninterrupted internet connection in computer and have to work in work in speed. e-GP related works delayed and works have to repeat for disruption in internet connection.

3.8 Complex system of error correction in e-GP system

The respondents were asked whether in the e-GP has simplify process for correcting the error .Figure 1.16 shows that 10 percent agreed with this statement .In contrast, 40 percent neutral and 50 percent disagree about this.

Figure 1.16 Error is easily identifiable and correctional in e-GP system



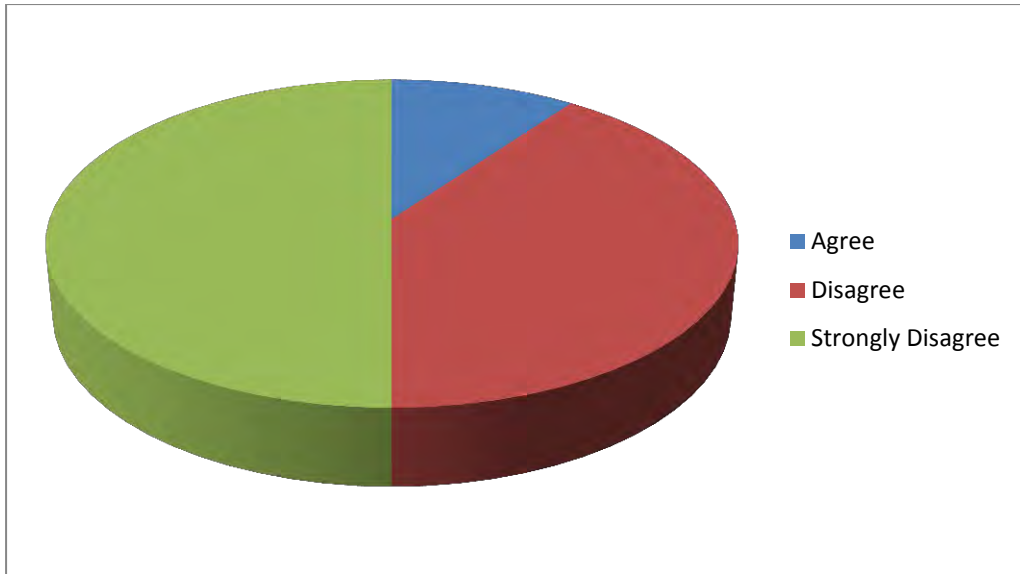
e-GP portal cannot prevent doing error while submitting tenders and there is no option for correcting error without the help of CPTU. It makes whole process complex. One of the suppliers added

“My application for tender may void if I submit trade license in the place of TIN license. This software cannot recognize this. In business season, I have to fill up more than 100 schedules in a day .so, most of the time this type of error is not identifiable by us. Even if we identify it we have to contact with CPTU office for solving this. This is a complex process.”

3.9 Theoretical and Incomplete Training program

The respondents were asked whether existing training program arranged by CPTU is sufficient or not. Majority respondents disagreed with the training design. Figure 1.17 shows that 10 percent agreed with this statement .In contrast, 40 percent disagree and 50 percent strongly disagree about this.

Figure 1.17 Existing training is satisfactory for complete understanding e-GP.



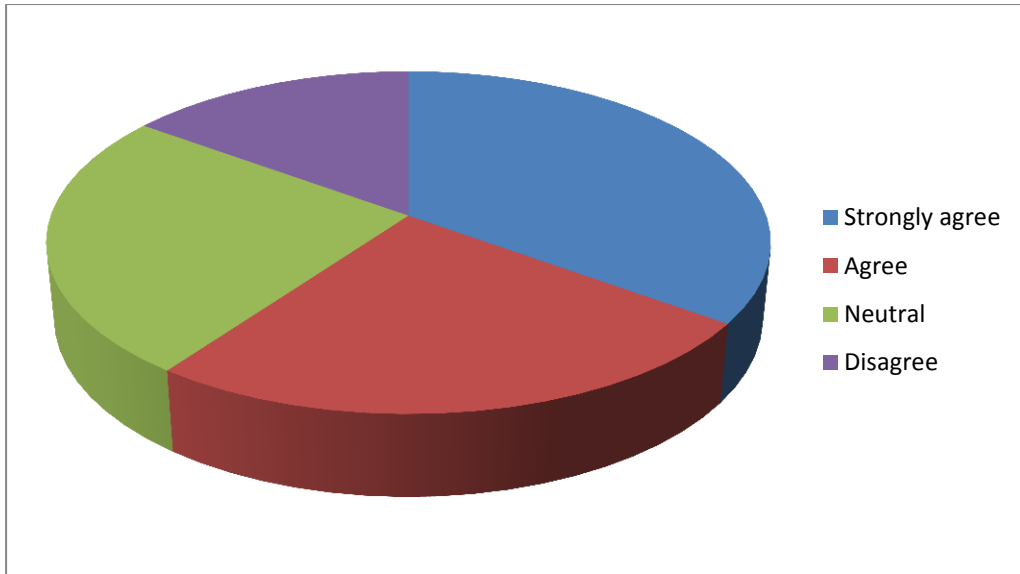
CPTU one day training for Supplier and three day long training for government officials is not enough. More practical training is required. One of the respondents added

“CPTU provide day long training. We have little chance to learn something from them. They give us a bag (as gift), free lunch but tell us very few about e-GP and how to fill up schedule forms. There is no practical class like how to work on online in computer; they only gave MS power point presentation on screen. Moreover, they only provide information about goods procurement. They also procure works through e-GP portal but this is not included in training manual.”

3.10 Common e-GP user account

To know about stakeholder’s faith in e-GP system, the respondents were asked about their User account password security in e-GP .Figure 1.18 shows that 35 percent strongly agreed and 25 percent agreed with that their user account is secure. 25 percent neutral and 15 percent disagreed with this statement.

Figure 1.18 Security of User account in e-GP portal



The account security is highly depends on user. The e-GP registered users are sharing their password with others for many reasons. User passwords of government officials“ account are controlled by CPTU, not by DSHE. Many top government officials have lack of experience to work in e-GP. So they depended on officials who are expert in e-GP. For that reason they share their password with others. Suppliers are less IT work experience. So they dependent on computer Shop or their office staffs and share password with them. Suppliers as well as govt. officers also share their password with others. One of the respondents added

“The top management (project director) has less knowledge about procurement as well as about e-GP portal. They share their password with me to doing work.”

These challenges create barriers in implementing e-GP in DSHE. Necessary measures should be taken to overcome these challenges.

Chapter 04

Recommendations & Conclusions

e-GP is one of the current issues in government procurement and of course it needs special government attention to ensure its success. The objective of the study is to find out challenges of implementing e-GP in DSHE and providing recommendations for successful implementation in DSHE.

4.1 Recommendations

Based on the analysis of the research the recommendations are given blow

- a) Training curriculum has to be upgraded and training duration need to be increased. Computer lab based practical, realistic training is required which will cover goods, works and service procurement. Refreshment training is required to revise and clear understanding about e-GP system.
- b) e-GP web portal server should be properly upgraded and maintained. One stop service is required for quick solution of problems. It should be more user friendly by reducing work process complexity.
- c) Internet speed has to be improved all over the country.
- d) A central supplier database is required where suppliers related all necessary data will be stored. Tender evaluation is time consuming. So verified suppliers or vendors database will help to save time and cost.
- e) CPTU activity should be transparent and free of corruption.
- f) Online banking system has to be introduced in all types of e-GP payment.

4.2 Conclusion

Although e-GP system has some weakness still it is more preferable than paper based tender system. By removing challenges of e-GP system, this method will be more transparent and acceptable for public procurement. Bangladesh Government should take extra care for this change management.

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Appendix Interview schedule

Schedule No

- 1) Name of the respondent
- 2) Designation:
- 3) Office Address:
- 4) Gender
 - a) Male
 - b) Female
- 5) Education Qualification
 - a) Below SSC
 - b) SSC
 - c) HSC
 - d) Graduation
 - e) Post-graduation
- 6) Your total experience on public procurement
 - a. below 1 year
 - b. 1 to 3 years
 - c. More than 3 years
- 7) Do you have training on public procurement? Yes/No
what have you purely procured?
 - a. Works
 - b. Goods
 - c. Services
- 8) What kind of document do you use for procurement?
 - a. PPA and PPR
 - b. Others
- 9) Have you taken 3 weeks basic training on PPA-2006, PPR-2008?
 - a. Yes
 - b. No
- 10) Do you have training on e-GP?
 - a. Yes
 - b. No
- 11) How long you are using e- GP?
 - a. 1 year
 - b. 1-2 years
 - c. 2-4 years
 - d. Above 4years
- 12) You have clear understanding in e-GP system
 - a. Strongly agree
 - b. Agree

- c. Neutral
 - d. Disagree
 - e. Strongly disagree
- 13) e-GP is preferable/ more suitable than paper based for your organizational procurement
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 14) e-GP helps to ensure transparency during tender/government procurement
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 15) e-GP ensuring equal access to the Bidders/Tenderers
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 16) For implementing e-GP , procurement cycle time has been reduced.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 17) Procurement performance are improved by ensuring efficiency and effectiveness in the e-GP system
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 18) e-GP helps to reduce coercion of different stakeholders
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 19) Your Office has necessary IT equipment like computer, printer, photocopier etc. to work in e-GP system.

- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 20) Your office's has uninterrupted power supply in computer to work in e-GP system.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 21) Your office's has sufficient internet speed to work in e-GP system.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 22) Including Online banking payment system will e-GP more effective and save your time.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 23) Your office's has sufficient skill and knowledge of computer, update internet browser, software to work in e-GP system.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 24) e-GP website and software is user-friendly
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 25) e-GP registration user account password is secured.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree

- e. Strongly disagree
 - f. Please explain
- 26) e-GP system has less possibility for doing mistake in bidding than paper based system
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 27) Error is easily identifiable and correctable in e-GP
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 28) Bidders can submit online application at any time before closing date. So flexibility increased and time saved in e-GP than paper based system.
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
 - f. Please explain
- 29) In your opinion, please mention the other challenges that you are facing in e-GP system.
- 30) In your opinion, please mention the merits that you have identified with this new system (e-GP).