

Report
On
**CONCEPTUALIZED AND DEVELOPMENT OF PRELIMINARY
STRATEGIC PROCUREMENT PLANNING ANALYSIS OUTLINE
FOR LOCAL GOVERNMENT ENGINEERING DEPARTMENT
(LGED)**

By

Student Full Name: Md. Abu Raihan
Student ID: 21382027

An internship report submitted to the BIGD in partial fulfillment of the requirements for
the degree of
Masters in Procurement and Supply Chain Management

BRAC Institute of Government and Development (BIGD)
Brac University
March, 2023

©2023. Brac University
All rights reserved.

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report 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 report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Md. Abu Raihan
Student ID: 21382027

Academic Supervisor's Full Name & Signature:

Mir Mehbubur Rahman MCIPS
Faculty, BIGD
BRAC University

Letter of Transmittal

Mir Mehbubur Rahman
MCIPS, FIEB
Faculty, BIGD
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Report Titled “Conceptualized and Development of Preliminary Strategic Procurement Planning Analysis Outline for Local Government Engineering Department (LGED)”

Dear Sir,

I am grateful to submit my report on “Conceptualized and Development of Preliminary Strategic Procurement Planning Analysis Outline for Local Government Engineering Department (LGED)” as a partial requirement to achieve the degree of Masters in Procurement and Supply Chain Management. It is my proud privilege to work under your active supervision and guidance.

I have attempted my best to finish the report with the essential data and recommended proposition in a compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Md. Abu Raihan

Student ID: 21382027
BRAC Business School
BRAC University
Date: March 28, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between the Local Government Engineering Department and the undersigned student Md. Abu Raihan at BRAC University. As I am currently working at the organization, I have access to the Organization's confidential information. I agree that I will keep all the information strictly confidential and not share it with anyone outside the organization.

Student's Full Name & Signature:

Md. Abu Raihan
Student ID: 21382027

Workplace Supervisor's Full Name & Signature:

Taufique Kibria
Executive Engineer (Planning)
Local Government Engineering Department (LGED)

Acknowledgement

My master's days have been a profound and vigorous yet wonderful time of my life. During my master's days at BRAC University, I met many remarkable people who enlightened me about new innovative concepts and numerous research activities, which thrives me to be a prolific researcher. This thesis work is made possible through the help and support of everyone, including parents, teachers, family, and friends. Especially, I would like to dedicate my acknowledgement of gratitude toward the following significant advisors and contributors:

First and foremost, I would like to exhibit my ingenious gratitude to my thesis supervisor, Mir Mehbubur Rahman MCIPS, FIEB, Faculty, BRAC Institute of Government and Development (BIGD), BRAC University, for his continuous guidance and support for this report work. His constructive advice and encouraging words profoundly inspired me. Without his concern, encouragement, and motivation, reaching a successful ending for this report might be impossible.

I would also like to thank my Workplace Supervisor, Taufique Kibria, Executive Engineer (Planning), Local Government Engineering Department (LGED), who provided valuable assistance and support during this report. His contribution helped to shape this report's direction and improved my work's quality.

My endless gratitude to Mohammed Shafiullah, Executive Engineer (Planning), Local Government Engineering Department (LGED), Md. Faridul Islam, Senior Assistant Engineer (Planning), Local Government Engineering Department (LGED), A.K.M. Mostafa Morshed, Senior Assistant Engineer (Planning), Local Government Engineering Department (LGED), Rokibul Hasan, Senior Assistant Engineer (ICT), Local Government Engineering Department (LGED), Tanvir Rashid, Senior Assistant Engineer (ICT), Local Government Engineering Department (LGED), Tanzila Islam, Assistant Engineer (Research, Innovation & Knowledge Management Cell), Local Government Engineering Department (LGED), for their time and thoughtful review.

Lastly, I will forever be grateful to my parents, sister, brother-in-law, nieces and friends for their endless love and support, who always hang around with me in all my pursuits. Finally, I am very obliged and grateful to the Almighty Allah for bestowing me the strength and courage to complete my report.

Executive Summary

The strategic procurement planning process is essential for an organization looking to streamline its procurement procedures and cut costs. It is necessary to examine the organization's past purchasing practices, determine procurement goals and objectives, evaluate risks and opportunities, and develop a procurement strategy aligning with its objectives. Organizations may enhance contractor relationships, streamline procedures, and increase efficiency with a well-prepared procurement plan. The organization must regularly examine and adjust its procurement strategies to remain effective in the ever-changing business environment.

The Local Government Engineering Department (LGED) is in charge of carrying out a number of infrastructure development projects in Bangladesh. LGED follows the Public Procurement Act (PPA) 2006 and the Public Procurement Rules (PPR) 2008 for a competitive and transparent procurement process that allows for fair and equal access to procurement opportunities for all eligible contractors. Right now, the procurement plan of Development Project Proposal (DPP) is made based on the previous and past experience of LGED officials. But no written format and schedule are available in PPA and PPR to analyze and formulate a procurement plan for DPP.

It is observed that most of the causes of project time and cost overrun would be minimized if a good procurement plan is made. So in this report, a 03 (Three) stage-based Preliminary Strategic Procurement Planning Analysis Outline has been developed for LGED. In the 1st stage, Basic procurement-related Information, Contract Period Information, and Obstacle faced during the implementation of contract-related information Contractor/Consultant Preliminary Evaluation Data will be collected. In the 2nd stage, risk identification will be conducted through a root cause analysis, and based on risk likelihood and risk consequence, risk rating will be done for each risk. A preliminary risk rating matrix has been developed in this report. In the 3rd stage, based on the options analysis Indicator, options analysis and decision-making section have been developed in this report.

Advanced research needs to be conducted to gain a deeper insight into the strategic procurement planning issue concerning public procurement.

Keywords: Strategic Procurement Planning, Procurement, Information, Opportunities, Strategy

Table of Contents

Declaration.....	ii
Letter of Transmittal	iii
Non-Disclosure Agreement	iv
Acknowledgement	v
Executive Summary	vi
Table of Contents	vii
List of Tables	ix
List of Figures.....	x
List of Acronyms	xi
Glossary	xiv
Chapter 1 Introduction.....	1
1.1 Background	1
1.2 Statement of the Problem.....	3
1.3 Objective	3
1.4 Approach and Methodology	4
1.5 Limitation.....	4
Chapter 2 Literature Review	5
Chapter 3 Public Procurement of Bangladesh and LGED	13
3.1 Public procurement in Bangladesh	13
3.2 Methods of Public Procurement in Bangladesh.....	14

3.3 Procurement Planning Issue addressed in Public Procurement	15
3.4 LGED and Procurement Activities	16
3.5 Preparation of Procurement Plan for Development Project Proposal (DPP).....	18
Chapter 4 Data Analysis.....	19
4.1 Data Analysis of Ongoing projects of LGED	19
4.2 Data Analysis of Revised Project of LGED	20
4.3 Problem Assessment of LGED Projects	22
Chapter 5 Preliminary Strategic Procurement Planning Analysis Outline	26
5.1 Stage: 01 - Data Collection	26
5.2 Stage: 02 - Risk Analysis	31
5.3 Stage: 03 - Options Analysis and Decision-Making Section.....	33
Chapter 6 Conclusion and Recommendation.....	39
References.....	41
Appendix A.....	42

List of Tables

Table 1: Article Addresses Procurement Planning in PPA 2006 and PPR 2008.....	15
Table 2: Data Analysis of Sector-wise Ongoing projects	19
Table 3: Data Analysis of Revised Project of LGED	21
Table 4: Data collection form for Works Contract	28
Table 5: Data collection form for Goods Contract	29
Table 6: Data collection form for Service Contract.....	30
Table 7: Risk Likelihood	32
Table 8: Risk Consequence.....	32
Table 9: Risk Rating Matrix	33
Table 10: Risk Rating Key.....	33
Table 11: Risk Identification and Analysis Table.....	33
Table 12: Options Analysis Indicator for Works Contract	34
Table 13: Options Analysis Indicator for Goods Contract	34
Table 14: Options Analysis Indicator for Service Contract.....	35
Table 15: Options Analysis for Works Contract.....	36
Table 16: Options Analysis for Goods Contract.....	37
Table 17: Options Analysis for Service Contract	38

List of Figures

Figure 1: Contents of the PPSD Process.....	10
Figure 2: Contents of the Strategic Procurement Planning Process	12
Figure 3: Data Analysis of Sector-wise Ongoing projects.....	20
Figure 4: Data Analysis of Revised Project of LGED.....	21
Figure 5: Typical Fishbone Diagram for Risk Identification.....	31

List of Acronyms

ADB	Asian Development Bank
Addl. CE	Additional Chief Engineer
AE	Assistant Engineer
BADC	Bangladesh Agricultural Development Corporation
BIWTA	Bangladesh Inland Water Transport Authority
CE	Chief Engineer
CIPS	Chartered Institute of Procurement and supply
CPTU	Central Procurement Technical Unit
CSOS	Community Service Organization Selection
DCS	Design Contest Selection
DOF	Department of Fisheries
DOFP	Delegation of Financial Power
DPM	Direct Procurement Method
DPP	Development Project Proposal (DPP)
e-GP	Electronic Government Procurement
e-PMS	Electronic Project Management System
EE	Executive Engineer
ERD	Economic Relations Division

FBS	Fixed Budget Selection
HQ	Head Quarter
ICT	Information and Communication Technology
ICS	Individual Consultant Selection
IT	Information Technology
IWRM	Integrated Water Resources Management
JICA	Japan International Cooperation Agency
LCS	Least Cost Selection
LGED	Local Government Engineering Department
LGIs	Local Government Institutions
LTM	Limited Tendering Method
MoU	Memorandum of Understanding
NOC	No Objection Certificate
OSTETM	One Stage Two Envelop Tendering Method
OTM	Open Tendering Method
PDPP	Preliminary Development Project Proposal (PDPP)
PIC	Project Implementation Committee
PEC	Project Evaluation Committee
PPA	Public Procurement Act

PPR	Public Procurement Rule
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
QCBS	Quality and Cost-Based Selection
SAE	Sub-Assistant Engineer
SBCQ	Selection Based on Consultants Qualifications
SDG	Sustainable Development Goal
SE	Superintending Engineer
SPP	Strategic Procurement Planning
STD	Standard Tender Document
SSS	Single Source Selection
SRFPs	Standard Request for Proposals
Sr.AE	Senior Assistant Engineer
TSTM	Two-Stage Tendering Method
UAE	Upazila Assistant Engineer
UE	Upazila Engineer
VFM	Value for money
WMCA	Water Management Cooperative Associations
WB	World Bank

Glossary

Procurement	Procurement involves buying goods and services that enable an organization to operate its supply chains profitably and ethically.
Strategic Procurement	Strategic procurement, also known as procurement strategy, is a long-term, organizational-wide process that guarantees that the required goods or services are acquired on schedule to satisfy demand and at the proper price.
Strategic Procurement Planning	Strategic procurement planning is a process to ensure that the procurement of goods and services meets the organization's overall strategic objectives.

Chapter 1

Introduction

1.1 Background

Projects are the essential building blocks of development; therefore, their function in the entire national development process is anticipated to be crucial. They will favorably impact the creation of jobs, connectivity, regional commerce, economic integration, and the nation's energy security. Bangladesh has a proven track record of growth and development; hence the government has taken on many development projects.

The Local Government Engineering Department (LGED) is responsible and liable for the planning, development, and management of rural infrastructure to increase rural agricultural and non-farm productivity, strengthen local governance, improve socioeconomic circumstances, and create jobs. Due to the government's emphasis on rural regions, LGED has implemented several programs and initiatives over the previous two to three decades, changing the socioeconomic environment, infrastructure, and communications.

There are two ways to formulate/invest in a project in Bangladesh. One is Government Funded Project, and another is Foreign Funded Project. In the 1980s, about ninety per cent of Bangladesh's development budget was foreign-aided. It has steadily decreased since the 90s and is now hovering around 10~15 per cent. Over the past three decades, LGED has been one of the country's top foreign aid users.

For Foreign Funded Projects, Development Partners like World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA) have been working in various sectors in Bangladesh for a long time. Most development partners have offices in Bangladesh and specialize in different sectors. Their experts prepare three-four year

Country Investment Plans for various sectors. They take the advice of the Economic Relations Division (ERD), Ministries, and related agencies while preparing the Country's Investment Plan. Generally, the foreign aided development projects are prepared based on developing partner's Country Investment Plans. Even Organizations can also prepare a Preliminary Development Project Proposal (PDPP) and send it to ERD through the Ministry. ERD scrutinizes and sends all these project proposals to the appropriate foreign agencies. Various delegations/missions of development partners (e.g. fact finding, identification, appraisal missions) meet with project implementing agencies, ministries, and ERDs at various stages of project formulation. A Memorandum of Understanding (MoU) is formed through all these meetings. Different development partners refer to this type of agreement under different names. Development Project Proposal (DPP) is finalized based on discussion and MoU with them.

For Government Funded Project, it is undertaken with a view perspective plan of Bangladesh (2021- 2041) to achieve the government strategic targets described in the Five Year Plan of Government for sustainable development and Sustainable Development Goals (SDGs). Sometimes projects are taken due to local stakeholder pressure and based on the emergency response to the country's disastrous situation (like Flash floods, accidents, environmental factors, etc.). Before taking up any projects, all agencies must conduct a feasibility study by a third party. In the feasibility study, various aspects of projects are considered social factors, engineering factors, environmental factors, financial factors, economic factors, etc. But no investigation and analysis are included for procurement aspects.

1.2 Statement of the Problem

The World Bank employs Project Procurement Strategy for Development (PPSD) standards to comprehend the project's value better. PPSD is a process to identify the best procurement strategy to provide the desired procurement outcome.

ADB uses the Strategic Procurement Planning (SPP) standards to analyze project complexity, risk, and procurement strategies. SPP guarantees a flexible approach to creating a procurement strategy and plans by using tools and techniques frequently used by organizations in the public and private sectors to provide the necessary information to make wise procurement decisions for agencies and implementing agencies on projects.

These guidelines help foreign-funded projects to make procurement plans for upcoming projects. But for Government Funded Projects, no such investigation and analysis are conducted in the feasibility study. So it is difficult to understand the complexity, risk, and value of the project and its procurement contracts.

In PPA 2006 and PPR 2008, there are defined act and procurement plan rules. How the procurement plan will be made and which conditions must be fulfilled are also defined. Right now, the DPP procurement plan is made based on the previous and past experience of LGED officials. But there is no written format and schedule available in PPR to analyze and formulate a procurement plan.

1.3 Objective

The main objective of this report is to develop a preliminary strategic procurement planning outline for Government Funded Projects, especially for LGED. This outline will help to make the Procurement Plan of Government Funded Projects as per PPA and PPR.

Hence to ease the study work, it is divided into two sub-objectives as the route that will take to the final

- To understand the current scenario for preparing procurement plans for GOB Projects
- To develop a preliminary strategic procurement planning outline for GOB Projects

1.4 Approach and Methodology

This study is based on conceptual and theoretical analysis. It doesn't involve any data collection. This study is conducted by observing and analyzing already present information available. In the last financial year of 2021-2022 (in March 2022), the planning unit conducted a project progress analysis report. This analytical data has been used to formulate the preliminary strategic procurement planning outline.

1.5 Limitation

The main limitation of this study is time and data constraints. There is no such information bank available for procurement in LGED. Previous procurement-related information is not well organized in LGED. Moreover, to validate this concept, a new project is required to administrate. Formulating and finalizing a project requires more than a year. So it isn't easy to know how effectively this preliminary strategic procurement planning outline has been performed in a real situation.

Chapter 2

Literature Review

The theoretical aspects of strategic procurement, planning, and procurement are the main topics of this chapter. Therefore, the idea of strategic procurement and strategic procurement planning, as well as their potential advantages in the public sector, has been examined. Several books, journals, periodicals, and websites have also been carefully examined to gain knowledge. Because Bangladesh's public procurement system is obligated to adhere to these regulations, the Public Procurement Act-2006 and Public Procurement Rules-2008 significantly impact this study.

Procurement

According to CIPS, Procurement involves buying goods and services that enable an organization to operate its supply chains profitably and ethically [1].

According to Investopedia, Procurement is obtaining or purchasing goods or services, typically for business purposes. Procurement is most commonly associated with businesses because companies must solicit services or purchase goods, usually on a relatively large scale. It can also include the overall procurement process, critically important for companies leading up to their final purchasing decision [2].

Strategic Procurement

According to Taulia (a US-based Procurement Service Provider Firm), A long-term, organizational-wide process called strategic procurement, often known as procurement strategy, tries to ensure that necessary goods or services of the correct quality and at the right price are acquired on schedule to meet demand. It lowers supply chain risk and aligns procurement efforts with a company's goals [3].

Strategic Procurement Planning

According to Oboloo (a UK-based Procurement Service Provider Firm), Ensuring that the acquisition of goods and services aligns with the organization's overarching strategic goals is accomplished through strategic procurement planning. It assists in identifying and evaluating the organization's needs, deciding how best to meet them, and choosing the best vendor or supplier to suit them. Cost control, risk reduction, and efficiency are all benefits of strategic procurement planning [4]

The Purpose of Strategic Procurement Planning

According to Oboloo (a UK-based Procurement Service Provider Firm), Strategic procurement planning is a procedure that aids businesses in locating and acquiring the best products and services at the most reasonable price. Streamlining procurement procedures, finding inefficiencies, and enhancing supplier performance, can help businesses save money. Strategic procurement planning addresses customer needs while ensuring that an organization's resources are used as efficiently as feasible. Several methodologies, including market research, business analysis, competition analysis, supply chain management strategies, and financial modelling, can be used to carry out strategic procurement planning. Whatever approach is adopted must be specially adapted to the demands of the engaged organization. Strategic procurement planning is crucial for managing resources effectively and ensuring an organization achieves customer expectations [4].

Importance of Strategic Procurement Planning

According to Farmkit (a UK-based Procurement Service Provider Firm), procurement planning determines the products and services an organization must purchase, choosing suppliers to supply them, and creating a procurement strategy that aligns with the business's objectives. Hence, the importance of strategic procurement planning is immense [5].

Cost savings

Cost saving is always crucial for the organization. Creating a procurement strategy discourages cost optimization and reduces increased running costs. It facilitates the development of price negotiations and, when combined with procurement software, makes it simple to support your conversations with current data on rate comparisons.

Risk mitigation

Assessing different procurement techniques might reveal errors in earlier analyses, delays in the process, problems with non-compliance, and subpar decision-making that affects the entire business. Organizations can overcome and permanently reduce these risks by devoting time to strategic procurement planning.

Faster processing and executions

Even while cost reduction and risk reduction are essential for procurement, quicker processing of services and deliverables takes precedence. The relationship between supply and demand and the requirement for improved procurement procedures rises as a business expands. Organizations can profit from adopting procurement software by continuously monitoring supplier demand, market analysis, and transaction turnovers. This will result in shortened processing times and continued market competitiveness.

Supplier management and strategic sourcing

The quality of the supplier relationships determines procurement. Due to brand awareness and customer loyalty, businesses can negotiate pricing with suppliers and come to mutually beneficial agreements. Organizations now have a greater understanding of the necessity to maintain connections with dependable suppliers who allow delivery schedules as a result of the unanticipated disruptions in the procurement process.

Procurement optimization

Strategic procurement market scenarios can help make procurement optimization and planning easier through proven results and showcased progress by organizations that adopt strategic procurement plans. An organization's ability to learn and grow is aided by evaluating reports and data, tracking and evaluating progress, and applying procurement industry guidance.

Sustainability

Customers support businesses that support activities comparable to those supported by groups promoting eco-friendly, green lifestyles. Companies considering customer preferences can profit from a win-win scenario in which strategic procurement lowers costs offers customers sustainable and environmentally friendly products, and prepares the business for future success.

World Bank – Project Procurement Strategy for Development (PPSD) Guideline

The World Bank's Project Procurement Strategy for Development (PPSD) guideline, approved in July 2015 and operating since July 2016, promotes tailored procurement approaches that emphasize choice, quality, and value for public spending while enabling adaptation to country contexts [6].

Ensuring quality outputs and sustainability throughout a project enables projects to respond rapidly to new needs and assists client countries in determining the best value for money. It assists the nations in creating procurement strategies and plans that satisfy their demands and guarantee successful execution by concentrating on market research, needs analysis, and project-specific risks, including environmental and social issues [7].

The Procurement Plan is created using the PPSD and includes information on the procurement contracts, associated risks, contract values, marketing strategies, and selection methods. For each project, a single PPSD has been created. The PPSD provide enough information on the procurement approach to cover all purchases made during the project's period. Every year or sooner, the Procurement Plan updated. All modifications to the Procurement Plan sent to the Bank for approval prior to implementation. The borrower provide appropriate justification for any modifications to the procurement plan in a new PPSD [6].

In Figure 01, the Contents of the PPSD Process are described

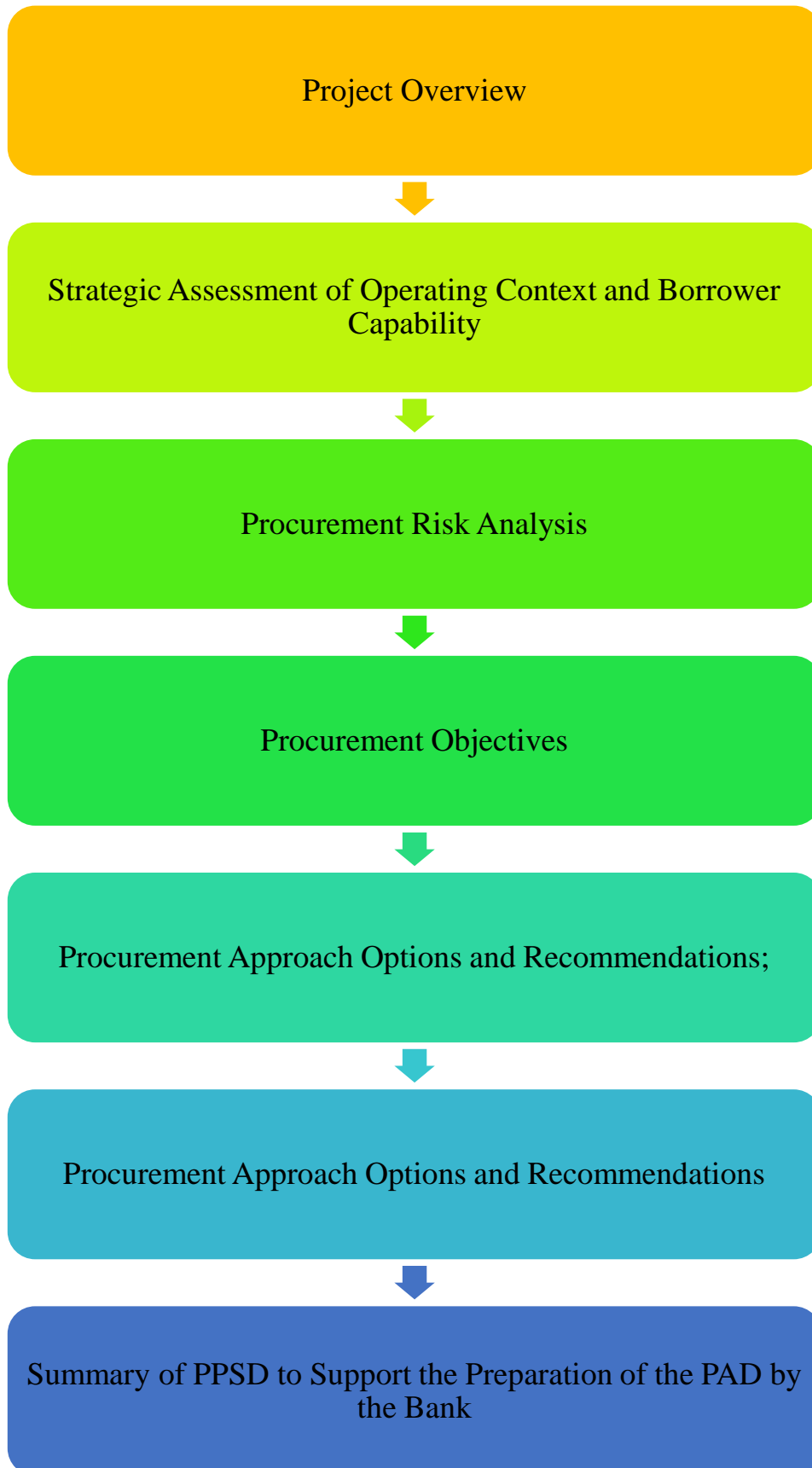


Figure 1: Contents of the PPSD Process

Asian Development Bank - Strategic Procurement Planning Guideline

The Procurement Rules for ADB Borrowers: Products, Works, Non-consulting and Consulting Services, as well as the ADB Procurement Policy: Goods, Works, Non-consulting and Consulting Services (2017), was approved by the Asian Development Bank (ADB) in April 2017. In ADB's 2017 procurement framework, which is based on its core procurement principles, follows the principles-based approach in Strategic Procurement Planning (SPP). By placing a renewed emphasis on the ideas of quality, value for money (VFM), and fitness for purpose, ADB established the Strategic Procurement Planning (SPP) guideline to bring significant benefits and flexibility across the project procurement cycle.

The strategic procurement planning approach is described in these three main steps:

- Analysis - Data is gathered on the agency's capacity and experience, operating environment, supply markets, and key risks.
- Choices - Potential strategic procurement options are analyzed.
- Planning - A fit-for-purpose procurement approach, including appropriate levels of ADB oversight, is designed and presented.

This framework enables a systematic approach to the elements of the procurement environment, such as the borrower's capacity and competency, stakeholders, country considerations, and supply marketplaces, which produce risk within development projects. The guideline provides data samples and template papers to help the borrower create a procurement strategy and plan appropriate for their needs. It also outlines procurement methods and processes commonly utilized by public and private sector organizations worldwide. The borrower choose only those instruments and methods that give the required information [8].

In Figure 02, Strategic Procurement Planning Process is described

Figure 3: Flowchart of the Strategic Procurement Planning Process

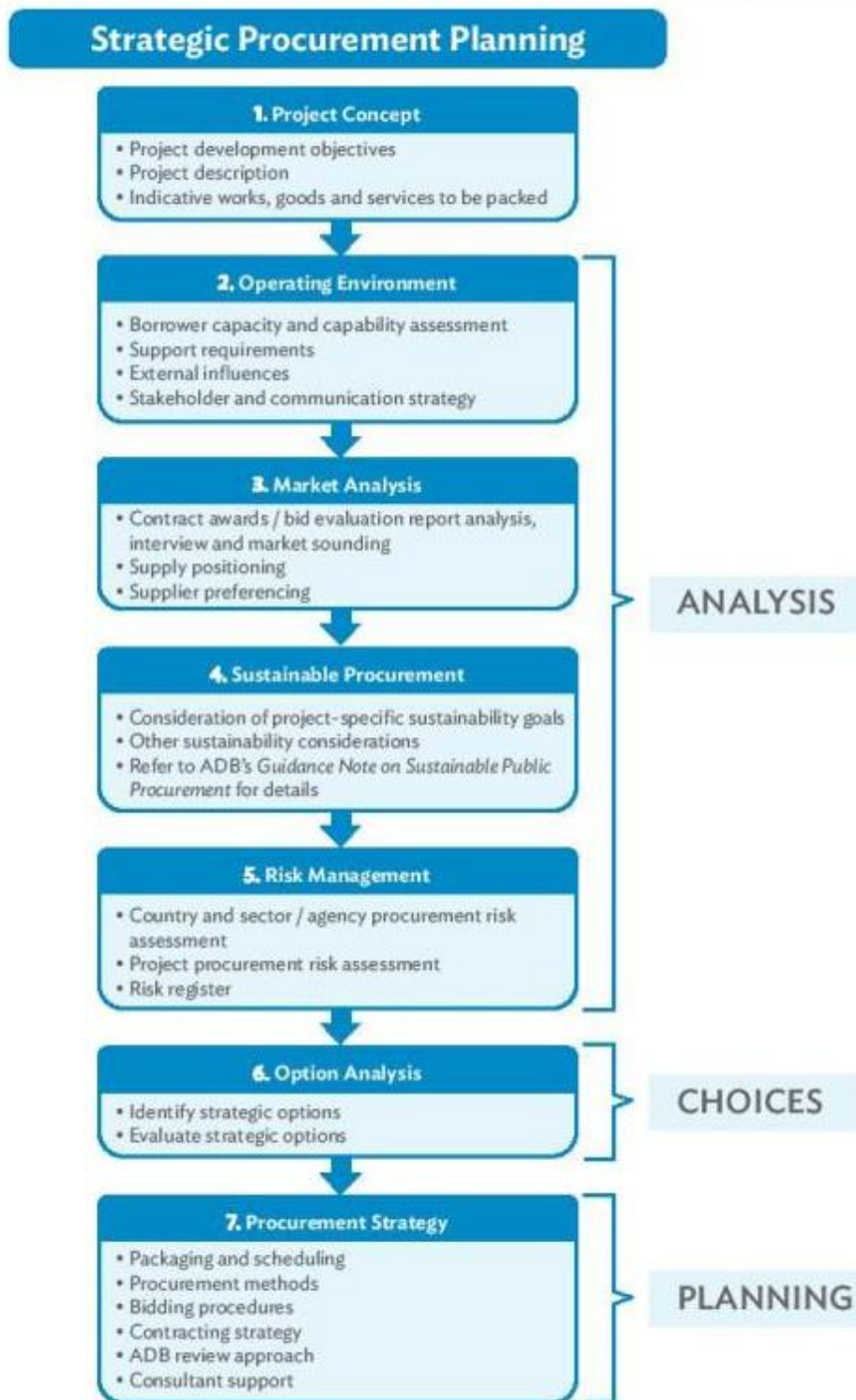


Figure 2: Contents of the Strategic Procurement Planning Process

Chapter 3

Public Procurement of Bangladesh and LGED

This chapter focuses on the context of public procurement, including its history and progress. It presents a scenario of public procurement in Bangladesh by merging the legal system, rules, fundamental ideas, and characteristics of public procurement as they exist today.

According to Public Procurement Act, 2006 (PPA 2006), 'Procurement is 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' [9]

The term "public procurement" refers to procurement of goods, services, or works (i.e., constructions) using public funds.

3.1 Public procurement in Bangladesh

Implementing good governance in public procurement with a well-established procurement framework and management capacity is a primary concern for any government because transparency, accountability, treating everyone equally, and ensuring perfect competition in public procurement are global concerns today.

Bangladesh Government enacted The Public Procurement Act (PPA) in 2006 to provide a legal framework for procuring goods, works, and services by government agencies. Bangladesh Government endorsed The Public Procurement Regulation (PPR) in 2008, the main policy document governing the procurement process in Bangladesh. The PPR provides guidelines for procurement methods, procurement planning, tendering, contract award, and contract management.

3.2 Methods of Public Procurement in Bangladesh

In Bangladesh, as per PPR-2008, in Rules no 61 and 62, there are 06 types of methods for works and good contracts, and in Rules no 103 and 104, there are 08 types of methods for service contracts for public procurement used for different types of government purchasing.

For Works and Goods contract, they are,

- OTM (Open Tendering Method)
- LTM (Limited Tendering Method)
- DPM (Direct Procurement Method)
- RFQM (Request for quotation Method)
- OSTETM (Open Stage Two Envelope Tendering Method)
- TSTM (Two Stage Tendering Method)

So Service contracts; they are

- Quality and Cost Based Selection (QCBS)
- Fixed Budget Selection (FBS)
- Least Cost Selection (LCS)
- Single Source Selection (SSS)
- Community Service Organization Selection (CSOS)
- Individual Consultant Selection (ICS)
- Selection Based on Consultants Qualifications (SBCQ)
- Design Contest Selection (DCS)

The Open Tendering Method (OTM) for goods and works contracts is the preferred technique for public procurement since it guarantees an equal chance to all vendors through open competition. For urgent low-cost contracts that particularly support local suppliers, a PE may

keep a shortlist of eligible tenderers under the Limited Tendering Method (LTM). Quality and Cost Based Selection is the effective approach for the Service Contract (QCBS) [10].

3.3 Procurement Planning Issue addressed in Public Procurement

Currently, two main documents that regulate public procurement are the Public Procurement Act of 2006 and the Public Procurement Regulations of 2008. In addition, CPTU creates a number of Standard Tender Documents (STDs) for goods and works and Standard Requests for Proposals (SRFPs) for services, depending on the scope or volume of the procurement. Table 01 shows the Procurement Planning addressed in public procurement documents [9] [10].

Table 1: Article Addresses Procurement Planning in PPA 2006 and PPR 2008

Issue	Article Addresses Procurement Planning
Procurement Planning Issue	<ul style="list-style-type: none"> • [Act 11(1), PPA-2006] • [Act 11(2), PPA-2006] • [Act 11(3), PPA-2006] • [Act 11(4), PPA-2006] • [Act 11(5), PPA-2006] • [Act 11(6), PPA-2006]
	<ul style="list-style-type: none"> • [Rule 15(1), PPR-2008] • [Rule 15(2), PPR-2008] • [Rule 15(3), PPR-2008] • [Rule 15(4), PPR-2008] • [Rule 15(5), PPR-2008] • [Rule 15(6), PPR-2008] • [Rule 15(7), PPR-2008] • [Rule 16(1), PPR-2008] • [Rule 16(2), PPR-2008] • [Rule 16(3), PPR-2008] • [Rule 16(4), PPR-2008] • [Rule 16(5), PPR-2008] • [Rule 16(6), PPR-2008] • [Rule 16(7), PPR-2008] • [Rule 16(8), PPR-2008]

Issue	Article Addresses Procurement Planning
	<ul style="list-style-type: none"> • [Rule 16(9), PPR-2008] • [Rule 16(10), PPR-2008] • [Rule 16(11), PPR-2008] • [Rule 17(1), PPR-2008] • [Rule 17(2), PPR-2008] • [Rule 17(3), PPR-2008] • [Rule 17(4), PPR-2008] • [Rule 17(5), PPR-2008]

3.4 LGED and Procurement Activities

Until the Public Procurement Act of 2006 (PPA of 2006), the Public Procurement Regulations of 2008 (PPR of 2008), and electronic government procurement (e-GP) were enacted in Bangladesh; all procurement contracts were governed by "The Contract Law," which is a highly general statute. Since every public procurement contract necessitates formal procedure, a high level of staff competency, high-quality tender documents, a standard evaluation framework, efficient contract administration, the presence of an adequate mechanism for ensuring transparency & accountability, and ensures Value for Money (VfM), Bangladesh achieves a new level in the procurement arena. To procure the goods, works, and consulting services, LGED, as a public sector engineering organization, adheres to the country procurement system, which the Public Procurement Law, 2006 governs (PPA, 2006), Public Procurement Rules, 2008 (PPR, 2008), and Electronic Government Procurement Guidelines (e-GP), 2011.

In addition to building transportation infrastructure, LGED offers technical assistance to rural and urban Local Government Institutions (LGIs) to improve communication and transportation, create jobs, and alleviate poverty. The department is headed by a Chief Engineer, supported by 15 Nos Additional Chief Engineers, 35 Nos Superintending Engineers, 182 Nos Executive Engineers, 81 Nos Senior Assistant Engineers, 495 Nos Upazila Engineers, 297 Nos Assistant Engineers, 495 Nos Upazila Assistant Engineers, 1702

Nos Sub-Assistant Engineers, and staff spread all over the country. It has 13394 regular employees, the highest number of employees among all other engineering departments.

LGED has a number of specialized units at the Central Level to provide a well-structured and prompt service, including the Administration Unit, Planning Unit, Design Unit, Training Unit, ICT (Information & Communication Technology) Unit, IWRM (Integrated Water Resource Management) Unit, Quality Control Unit, Monitoring and Evaluation Unit, Maintenance Unit, Urban Management Unit, and Procurement Unit. Each Unit is headed by an Additional Chief Engineer (Addl. CE), supported by a Superintending Engineer (SE), an Executive Engineer (EE), Senior Assistant Engineers (Sr.AE), Assistant Engineers (AE), and other staff.

LGED has 08 divisional offices, 20 regional offices, 64 District offices, and 495 Upazila offices. Additional Chief Engineer (Addl. CE) is in charge of the divisional office, Superintending Engineer (SE) is in charge of the regional office, Executive Engineer (EE) is in charge of the district office, and Upazila Engineer is in charge of the upazila office (UE). An Upazila Assistant Engineer (UAE) and other employees help the Upazila Engineer (UE) in the LGED Upazila office. Two PE offices work for procurement at the Upazila level;

- Office of the Executive Engineer
- Office of the Upazila Engineer

For an upazila, the office of the executive engineer may call tenders for all LGED development projects and regularly scheduled maintenance work programs that have been approved for that upazila, except for projects from other agencies (such as government primary school construction projects, etc.) and upazila-owned funded works (such as Upazila Development Fund, etc.) for which the office of the upazila engineer calls these tenders.

3.5 Preparation of Procurement Plan for Development Project Proposal

(DPP)

A procurement plan is a critical section of any development project proposal (DPP). It outlines the process that will be followed to procure the works, goods and services necessary to complete the project.

Typically a procurement plan (as per the Handbook for Guidelines of Formulation, Processing, Approval and Revision of Development Projects in Public Sector) includes the following components[11]:

- Package No
- Description of Packages,
- Unit, Quantity,
- Procurement Method and Type,
- Contract Approving Authority,
- Source of Fund,
- Estimated Cost, and
- Indicative Timeline of procurement activity.

In Appendix A, typical procurement plan format is attached.

Generally, a DPP is contain total 33 (thirty three) nos. section with several sub-sections and 07 (seven) nos. appendix form and other important documents like project loan agreement, Project Evaluation Committee (PEC) meeting resolution, Manpower Meeting resolution, Project Scrutiny Committee meeting resolution etc. So it is very difficult for the big organization like LGED (who processes more than 20 (twenty) DPP each year) to check every procurement plan accurately and precisely. So if any procurement related risk is unidentified during the project formulation stage, it remains within the project till the procurement plan is revised which means the project needs to revise [11].

Chapter 4

Data Analysis

This study is being carried out by observation and analysis of currently available data. The planning unit conducted a project progress analysis report for the 2021–2022 financial year (in March 2022). This analytical data has been used to formulate the preliminary strategic procurement planning outline.

LGED has projects in the rural, urban, water resources, Feasibility Study/ Technical Assistance, and Environment climate change sectors. As most of the project outputs of LGED are identical, the procurement nature, method, and procure goods/works/services of LGED are similar.

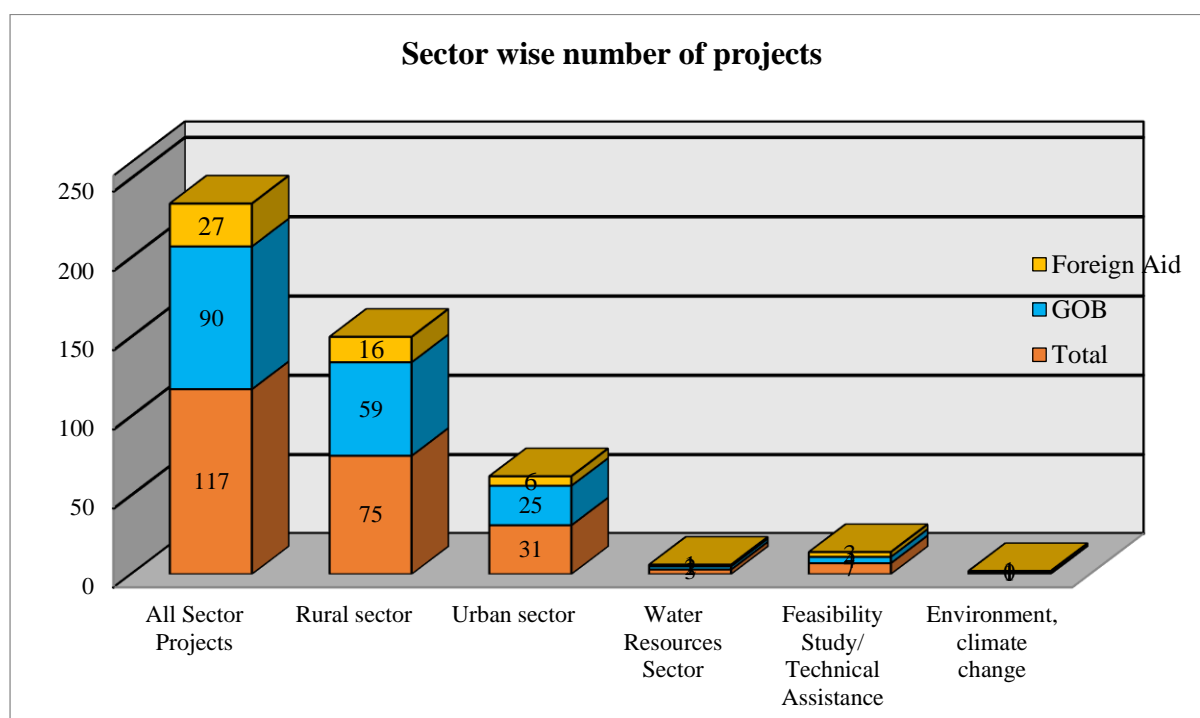
4.1 Data Analysis of Ongoing projects of LGED

This data has been collected from the Annual Progress Report, Electronic Project Management System (e-PMS) and Project Implementation Committee (PIC) and Project Steering Committee (PSC) meeting information. Table 02 and Figure 03 show the Ongoing projects result of LGED.

Table 2: Data Analysis of Sector-wise Ongoing projects

Total number of projects	Sector-wise number of projects									
	Rural sector		Urban sector		Water Resources Sector		Feasibility Study/ Technical Assistance		Environment, climate change	
	GOB	Foreign Aid	GOB	Foreign Aid	GOB	Foreign Aid	GOB	Foreign Aid	GOB	Foreign Aid
117 Nos	59 Nos	16 Nos	25 Nos	06 Nos	02 Nos	01 Nos	04 Nos	03 Nos	0 Nos	01 Nos
	Total - 75 Nos		Total - 31 Nos		Total - 03 Nos		Total - 07 Nos		Total - 01 Nos	

Figure 3: Data Analysis of Sector-wise Ongoing projects



From Table – 02 and Figure – 03, In March 2022, 117 Nos projects are ongoing; among them, 90 nos. projects are GOB projects, and 27 Nos are Foreign Aided projects. In Rural Sector, 75 Nos projects are ongoing; 59 Nos are GOB projects, and 16 Nos are Foreign-funded projects. In the Urban sector, 31 Nos projects are ongoing; among them, 25 Nos are GOB projects, and 06 Nos are Foreign-funded projects. In Water Resources Sector, 03 Nos projects are ongoing; among them, 02 Nos are GOB projects, and 01 Nos is a Foreign-funded project. In Feasibility Study/Technical Assistance Sector, 07 Nos projects are ongoing; among them, 04 Nos are GOB projects, and 03 Nos are Foreign-funded projects. In the Environment and climate change Sector, the 01 Nos project is ongoing, a Foreign-funded project.

4.2 Data Analysis of Revised Project of LGED

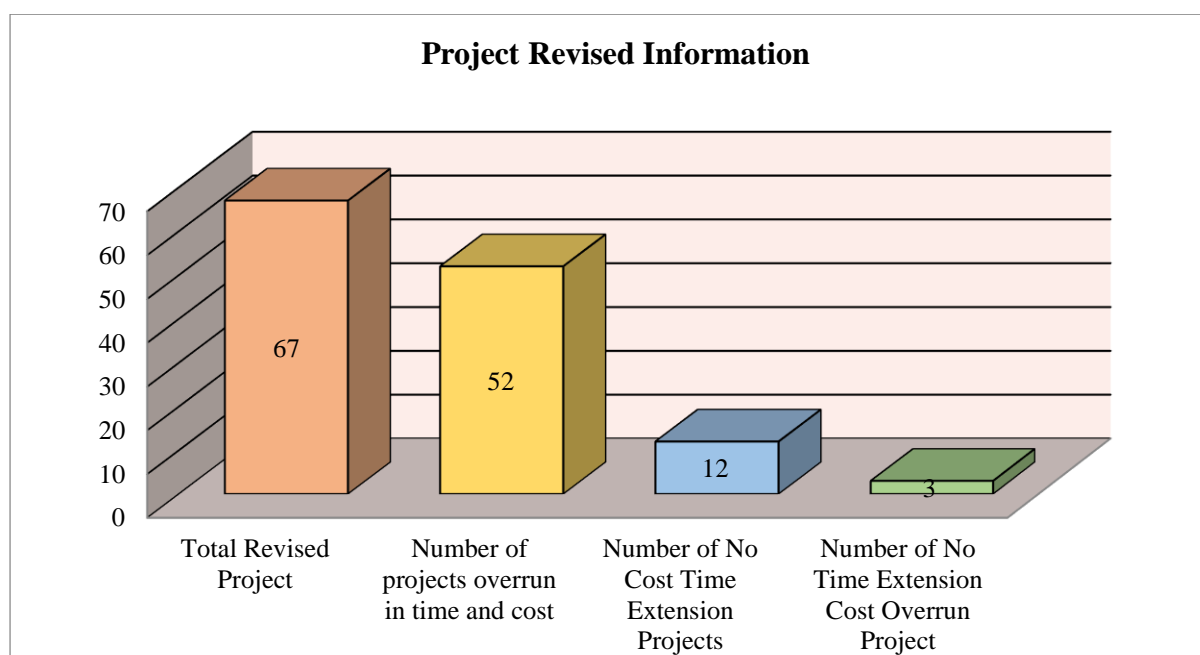
This data has been collected from the Annual Progress Report, Electronic Project Management System (e-PMS) and Project Implementation Committee (PIC) and Project

Steering Committee (PSC) meeting information. Table 03 and Figure 04 show the Revised project results of LGED.

Table 3: Data Analysis of Revised Project of LGED

Revised Projects Information				
Number of projects overrun in time and cost	Number of No Cost Time Extension Projects	Number of No Time Extension Cost Overrun Project	Percentage of Time Extension	Percentage of Cost Overrun
52 Nos (44.44%)	12 Nos (10.26%)	03 Nos (2.56%)	Max Percentage 242.55%	Max Percentage 264.18%
			Min Percentage 10.34%	Min Percentage (-22.48%)
Total Revised Project – 67 Nos (57.26%)			Avg. Percentage 36.13%	Avg. Percentage 15.03%

Figure 4: Data Analysis of Revised Project of LGED



From Table – 03 and Chart – 02, In March 2022, 67 Nos projects are being revised. Among 67 Nos, 52 nos. projects are overrun in time and cost, 12 Nos are No Cost Time Extension, and 03 Nos projects are No Time Extension Cost Overrun. From Table – 03, it is also observed that among 67 Nos projects, average percentage of time extension of those projects

is 36.13% and average percentage of cost overrun those projects is 15.03%. Maximum a project got time extended from its original time schedule is 242.55% and minimum a project got time extended from its original time schedule is 10.34%. Maximum a project got cost overrun from its original actual costing is 264.18% and minimum a project got cost saving from its original actual costing is 22.48%.

4.3 Problem Assessment of LGED Projects

After appraising the tabular data and the Project Implementation Committee (PIC) and Project Steering Committee (PSC) meeting information data providing the planning unit, the main reasons for the increase in time and cost of the project are given below:

For Bridge Projects

- Not carry out the feasibility study, topographical, hydrology, and morphology studies before project formulation,
- Land acquisition of the bridge work is a lengthy process,
- Appointment of the consultant is a prolonged process,
- No price adjustments are considered if the implementation period of the scheme is more than 18 (eighteen) months,
- It takes 3 (three) to 4 (four) months to get the navigational clearance from BIWTA
- It takes about 10 (ten) to 12 (twelve) months to complete all the processes for environmental clearance.

For Road Projects

- Estimates are not made properly (especially protection works, culverts, cross drains, and waterlogged areas not identified properly),

- Incremental prices of construction materials are not included at the time of estimate preparation,
- Expressing unwillingness/reluctance of contractors to do road shoulder and side slope work
- Inability to implement work as per work plan.

For Urban Projects

- No database is available regarding the pourashova infrastructure.
- Pourashova masterplans are not gazette, so masterplan-wise development work is not being carried out.

For Water Resources Projects,

- New sub-projects are not identified in project DPP. As a result, it takes about 12~18 months to complete the detailed design by conducting Participatory Rural Appraisal, Feasibility Study through Pre-Screening of the sub-projects through potential project consulting institutes. Again in many cases, feasible sub-projects are not available in the project area.
- It isn't easy to complete the project on time as it takes about 9~16 months to prepare the drawing design of the water resource sub-project and formation of the Water Management Cooperative Associations (WMCA) committee, and another 18~30 months are required for construction and first-year operation and maintenance.
- Due to Overlapping/Duplication with BWDB/BADC/Barendra/DOF, 01 (one) month time is required to bring NOC.
- Delay in forming the committee of the cooperative society due to local social conflict, non-participation of all members of the cooperative society due to the dominance of dominant groups, delay in signing the tripartite implementation agreement due to the

conflict between the Union Parishad chairman and Water Management Cooperative Associations (WMCA) and the reluctance of some landowners to implement the project in the case of dam construction and Delay in project work due to obstruction in project implementation by illegal encroachers in case of canal digging,

For Feasibility Study/Technical Assistance Projects

- Feasibility Study/Technical Assistance Projects generally require 6~9 months to appoint the consultant firm, as these projects depend on consultants' output.
- Due to the scarcity of qualified human resources in the consultant part, a standard report can't be prepared.

After reviewing all the data and project information, it is found that most of the causes of project time and cost overrun would be minimized if a good contract implementation and management plan are made. It also signifies that the strategies and processes for procuring works, goods and services are inexpedient and procurement plan are not effectively functioning.

In a project lifecycle, procurement plays an important part. All implementation-related problems/risks need to be treated/terminated/transferred by the procurement-related actions. For instance, in Bridge Projects, land acquisition and the appointment of consultants are two major reasons for a project delay. This problem could easily handle prior to it goes for implementation. For the land acquisition section, two crucial pieces of information are required. They are -

- Information on what quantity of land will be acquired and
- Information on the approximate time period of the land acquisition process.

For the appointment of consultants, two important indicators are required. They are

- Information regarding previously any consulting firm/individual consultant had worked with LGED through a similar nature consultancy service
- Information regarding technical knowledge, on-time delivering capacity and performance of consulting firm/individual consultant

Based on these information outputs, a realistic procurement plan can be prepared and contract will be perfectly implemented.

As the procurement plan is the key leverage for the execution of contract implementation and management plan and contract implementation and management plan is fully aligned with procurement plan, so there is urgency for the preliminary strategic procurement planning analysis outline in government funded projects for developing a procurement plan.

Chapter 5

Preliminary Strategic Procurement Planning Analysis Outline

No written format and schedule are available in PPR to analyze and formulate a procurement plan. In Government Funded Projects, no such investigation and analysis are made; a Preliminary Strategic Procurement Planning Analysis Outline is proposed in this study. By overviewing the World Bank and Asian Development Bank's strategic procurement planning process, a simple and analysis outline format has been developed for LGED's planning unit.

In World Bank and Asian Development Bank's strategic procurement planning process handbooks, mostly all parts are common; only the perspective of understanding is different. So here, a generalized outline format has been developed for GOB projects, which is conceivable by all.

Here, a 03 (Three) stage-based Preliminary Strategic Procurement Planning Analysis Outline has been developed, which will act as a backdrop paperwork for preparing the Procurement Plan.

Stages of Preliminary Strategic Procurement Planning Analysis Outline are;

- Data Collection
- Risk Analysis
- Options Analysis and Decision-Making Section

5.1 Stage: 01 - Data Collection

In this stage, the planning unit of LGED will collect data from upazilas, districts, projects, and units. In this format, Basic procurement related information like Type of Work, Contract Name, Contract Method, Contract Amount, Total Quantity of Work completed, Name of Contractor, etc.; Contract period information like Signing of Contract, Starting Date,

Completion Date, Time Extension, etc.; obstacle faced during implementation of contract related information like comments/feedback regarding the overall contract, etc., Contractor/Consultant Preliminary Evaluation Data like Financial Solvency, Human Resource Management, Advancement in Technology, Environmental Due Diligence, Ethical Standard will be collected. These data will be provided and validated by the respective procuring entity. Table 04-06 illustrates the data collection form for Goods, Works, and Service Contract

Table 4: Data collection form for Works Contract

Sl. No	Type of Work (e.g. Road/Bridge/Market/... etc.)	Contract Name	Contract Method	Contract Amount in Lakh Taka	Total Quantity of work completed (Road Length/Market No/Bridge Length/...etc.)	Name of Contractor	Contract Period (Actual Dates)			Time Extension (Yes/No)	The main obstacle observe during the implementation of the contract (One-line description, if possible)	Contractor Evaluation (Excellent/Good/Poor/Bad)				
							Signing of Contract	Starting Date	Completion Date			Financial Solvency	HR Management	Advancement in Technology	Environmental Due Diligence	Ethical Standard
											.					
											.					
											.					
											.					
											.					
											.					
											.					

Table 5: Data collection form for Goods Contract

Sl. No	Type of Good (e.g. Equipment /Vehicle/... etc.)	Contract Name	Contract Method	Contract Amount in Lakh Taka	Total Quantity of goods procured (No of Equipment/ No of Vehicle/...etc.)	Name of Contractor	Contract Period (Actual Dates)		Time Extension (Yes/No)	The main obstacle observe during the implementation of the contract (One-line description, if possible)	Contractor Evaluation (Excellent/Good/Poor/Bad)				
							Starting Date	Completion Date			Financial Solvency	HR Management	Advancement in Technology	Environmental Due Diligence	Ethical Standard
										•					
										•					
										•					
										•					
										•					
										•					
										•					
										•					

Table 6: Data collection form for Service Contract

Sl. No	Type of Service (e.g. Firm/Individual /... etc.)	Contract Name	Contract Method	Contract Amount in Lakh Taka	The output of Consultancy Service	Consulting Firm/Individual Consultant Name	Contract Period (Actual Dates)					Time Extension (Yes/No)	The main obstacle observe during the implementation of the contract (One-line description, if possible)	Contractor Evaluation (Excellent/Good/Poor/Bad)				
							Invitation of EOI	Issue of RFP	Signing of Contract	Starting Date	Completion Date			Technical Knowledge	HR Management	Advancement in Technology	Deliverables Competency	Ethical Standard
												•						
												•						
												•						
												•						
												•						
												•						
												•						

5.2 Stage: 02 - Risk Analysis

In this stage, the planning unit of LGED will analyze the data as mentioned above. Data will be analyzed according to frequency and impact basis. Firstly, Data will be scrutinized by the planning unit, and a problem list will be developed. Then a root cause analysis (Cause and Effect or Fishbone analysis) will be conducted by Planning Unit to identify the risk for upazilas, districts, projects, and units. The aforementioned problem list will act as a tool for Fishbone analysis. After the identification of the risk, a risk rating will be conducted. Based on risk rating, options analysis and decision for the procurement plan will be formulated.

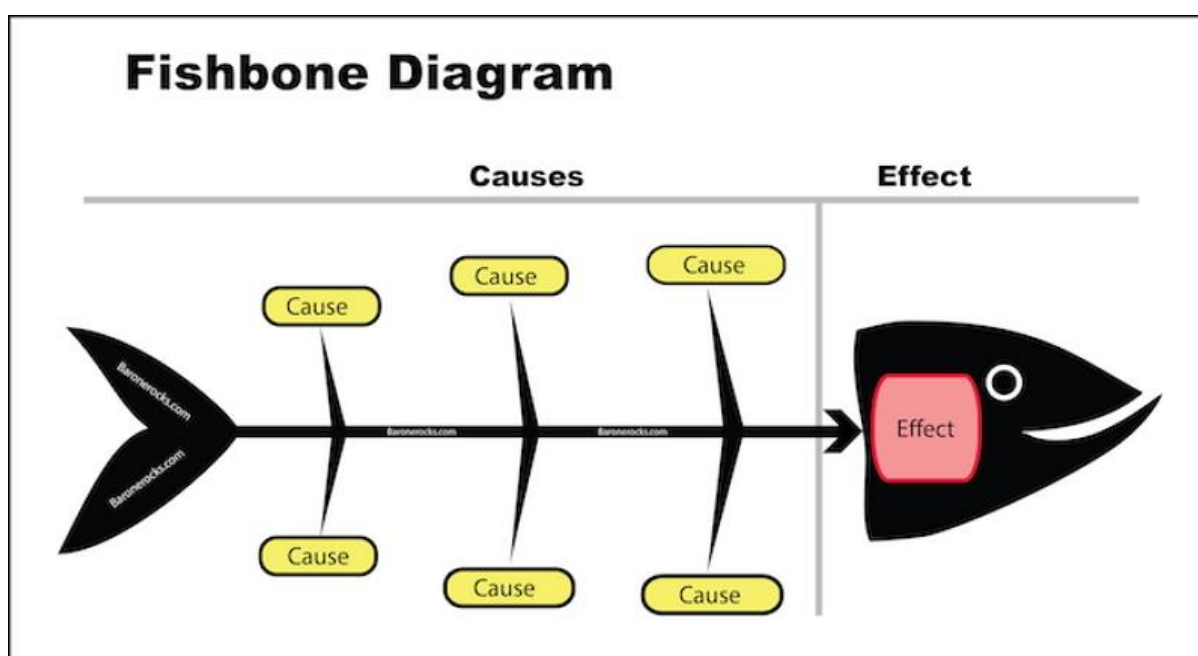


Figure 5: Typical Fishbone Diagram for Risk Identification

Now a preliminary Risk Rating Matrix has been developed for LGED with the help of the planning unit. This Risk Rating Matrix consists of Risk Likelihood and Risk Consequence axis. Risk Likelihood has 05 (five) descriptors, and Risk Consequence has 05 (five) descriptors. Almost certain, Likely, Possible, Unlikely, and Rare are the 05 (five) descriptors of Risk Likelihood. Each of these has ranged from 1 to 5. The probabilities of this descriptor are also considered. For example, possible descriptor means may occur at some stage, with a

score of 3. Severe, Major, Moderate, Minor, and Insignificant are the 05 (five) descriptors for the Risk Consequence part. Each of these has also ranged from 1 to 5. For example, the Moderate descriptor score is 3. A risk rating key has also been developed to determine the magnitude of risk; for the risk rating key, Low, Moderate, Substantial, and High are the 04 (four) descriptors. Each descriptor has its color coding. For Example, the Substantial descriptor color coding is dark yellow.

Based on the frequency and impact of risk described in the problem list, Risk Likelihood and Risk Consequence descriptors will be selected. After selecting the descriptors, these descriptors will be plotted on the Risk Rating Matrix. This matrix will give a risk rating for each risk. Finally, a risk rating list will be prepared.

Table 07 to Table 11 illustrates Risk Likelihood, Risk Consequence, Risk Rating Matrix, Risk Rating Key, and Risk Identification and Analysis Table.

Table 7: Risk Likelihood

Descriptor	Likelihood Score	Description	Indicative Probability
Almost certain	5	Expected to occur	> 90%
Likely	4	Probably will occur	70% – 89%
Possible	3	It may occur at some stage	50% – 69%
Unlikely	2	It would be surprising if it occurred	10% – 49%
Rare	1	May never occur	< 10%

Table 8: Risk Consequence

Descriptor	Likelihood Score
Severe	5
Major	4
Moderate	3
Minor	2
Insignificant	1

Table 9: Risk Rating Matrix

Risk Consequence / Risk Likelihood		Insignificant	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Rare	1	1	2	3	4	5

Table 10: Risk Rating Key

	Low
	Moderate
	Substantial
	High

Table 11: Risk Identification and Analysis Table

Identified Risk Name	Risk Likelihood (Almost Certain/Likely/Possible/Unlikely/Rare)	Risk Consequence (Severe/Major/Moderate/Minor/Insignificant)	Risk Rating

5.3 Stage: 03 - Options Analysis and Decision-Making Section

After finding the problem list and risk rating, options analysis and decision-making will be done. This procurement alternative option analysis will be formulated based on PPA 2006 and PPR 2008 and proper justification.

For this analysis, 05 (five) descriptors are also chosen which is completely associated with the Procurement Plan which is mentioned in the Handbook for Guidelines of Formulation, Processing, Approval and Revision of Development Projects in Public Sector [11]. They are Procurement Packaging, Procurement Scheduling, Estimated Amount, Procurement Method, and Contract Period. Each of these descriptors brings different options for procurement. For example, Procurement Packaging can be done through lots or individually. So, when a new procurement is required, first find out the potential problem and its risk rating. Based on these two factors, develop an alternative option by using these descriptors for each procurement package. After analysis each option, selects the best possible option for that procurement.

Table 12 to Table 17 illustrates the Options Analysis Indicator and Options Analysis

Table 12: Options Analysis Indicator for Works Contract

Indicators	Possible Answer
Procurement Packaging	Lot/Individual
Procurement Scheduling	Inception Phase/Middle Phase/Final Phase
Procurement Method	OTM/LTM/DPM/RFQM/OSTETM/TSTM
Estimated Amount (Cost Threshold designated in DOFP, PPA 2006, and PPR 2008)	More than 30 Crore/30 Crore to 20 Crore/20 Crore to 10 Crore/10 crore to 02 crore/02 crore to 01 crore/01 crore to 50 lakh/50 lakh to 20 lakh/20 lakh to 10 lakh/10 lakh to 05 lakh/05 lakh to 01 lakh/01 lakh to 50 thousand/50 thousand to 25 thousand/Less than 25 thousand
Contract Period (Time Threshold Designated as per DOFP, PPA 2006, and PPR 2008)	More than 18 months/18 to 12 months/12 months to 09 months/09 months to 06 months/06 months to 03 months/03 months to 01 month/less than 01 month

Table 13: Options Analysis Indicator for Goods Contract

Indicators	Possible Answer
Procurement Packaging	Lot/Individual
Procurement Scheduling	Inception Phase/Middle Phase/Final Phase
Procurement Method	OTM/LTM/DPM/RFQM/OSTETM/TSTM

Indicators	Possible Answer
Estimated Amount (Cost Threshold designated in DOFP, PPA 2006, and PPR 2008)	More than 20 Crore/20 Crore to 10 Crore/10 crore to 02 crore/02 crore to 01 crore/01 crore to 50 lakh/50 lakh to 20 lakh/20 lakh to 10 lakh/10 lakh to 05 lakh/05 lakh to 01 lakh/01 lakh to 50 thousand/50 thousand to 25 thousand/Less than 25 thousand
Contract Period (Time Threshold Designated as per DOFP, PPA 2006, and PPR 2008)	More than 18 months/18 to 12 months/12 months to 09 months/09 months to 06 months/06 months to 03 months/03 months to 01 month/less than 01 month

Table 14: Options Analysis Indicator for Service Contract

Indicators	Possible Answer
Procurement Packaging	Lot/Individual
Procurement Scheduling	Inception Phase/Middle Phase/Final Phase
Procurement Method	QCBS/FBS/LCS/SSS/CSOS/ICS/SBCQ/DCS
Estimated Amount (Cost Threshold designated in DOFP, PPA 2006, and PPR 2008)	More than 07 Crore/07 Crore to 05 Crore/05 crore to 02 crore/02 crore to 01 crore/01 crore to 50 lakh/50 lakh to 20 lakh/20 lakh to 10 lakh/10 lakh to 05 lakh/05 lakh to 01 lakh/ /Less than 01 lakh
Contract Period (Time Threshold Designated as per DOFP, PPA 2006, and PPR 2008)	More than 18 months/18 to 12 months/12 months to 09 months/09 months to 06 months/06 months to 03 months/03 months to 01 month/less than 01 month

Table 15: Options Analysis for Works Contract

Options Analysis						Select Option
Package Name	Total Quantity (Road Length/ Market No/Bridge Length/...etc.)	Option 1	Option 2	Option 3	Option 4	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	

Table 16: Options Analysis for Goods Contract

Options Analysis						Select Option
Package Name	Total Quantity (No of Equipment/ No of Vehicle/...etc.)	Option 1	Option 2	Option 3	Option 4	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	

Table 17: Options Analysis for Service Contract

Options Analysis						Select Option
Package Name	The Output of Consultancy Work	Option 1	Option 2	Option 3	Option 4	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	
		Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	Procurement Packaging - Procurement Scheduling - Estimated Amount - Procurement Method - Contract Period -	

Chapter 6

Conclusion and Recommendation

This study has formulated a conceptualized preliminary strategic procurement planning outline for GOB projects. It will act as backdrop paperwork for the preparation of the Procurement Plan. This outline will help determine priority-based procurement needs and develop a comprehensive procurement plan. This will help to develop a robust and reliable procurement plan according to PPA 2006 and PPR 2008. This process also involves analyzing the LGED's procurement history, identifying procurement goals and objectives, assessing risks and opportunities, and creating a procurement strategy that aligns with the LGED's and Government's Goal, mission, and vision.

This is only a conceptualized outline that has been formulated. No data analysis has been done in this study. Advanced research must be conducted to gain deeper insight into strategic procurement planning.

Recommendation

Some recommendations are mentioned as follows to establish a preliminary strategic procurement planning outline

- As this preliminary strategic procurement planning outline act as backdrop paperwork for preparing the Procurement Plan, continuous update of the risk rating matrix, risk likelihood, and risk consequence sections is required.
- In this preliminary strategic procurement planning outline, the contractor's feedback is not involved. In the near future, feedback from the contractor will be incorporated.

- Capacity development of LGED officials is required for a preliminary strategic procurement planning outline to ensure base procurement data from the field and HQ levels.

References

- [1] CIPS, “CIPS Procurement Definition,” 2022. <https://www.cips.org/intelligence-hub/procurement/what-is-procurement>.
- [2] Investopedia, “Procurement Definition, Types of procurement and Cost Analysis,” 2022. <https://www.investopedia.com/terms/p/procurement.asp>.
- [3] Taulia, “Strategic Procurement Definition,” 2022. <https://taulia.com/glossary/what-is-strategic-procurement/>.
- [4] Oboloo, “Strategic Procurement Planning and Purpose,” 2021. <https://oboloo.com/blog/what-is-strategic-procurement-planning-and-why-is-it-important/>.
- [5] Fairmarkit, “Importance of Strategic Procurement Planning,” 2022. <https://www.fairmarkit.com/blog/procurement-planning-101>.
- [6] World Bank, *Project Procurement Strategy for Development - Short Form Guidance*, no. February. 2017.
- [7] World Bank, *Project Procurement Strategy for Development - Long Form Guidance*, no. July. 2016.
- [8] Asian Development Bank, *Strategic Procurement Planning: Guidance Note on Procurement*, no. December. 2021.
- [9] CPTU, *The Public Procurement Act*. 2006.
- [10] CPTU, *The Public Procurement Rules*. 2008.
- [11] Planning Division 2022, *Guidelines for Formulation, Processing, Approval and Revision of Development Projects in Public Sector*.

Appendix A

A typical procurement plan format (as per the Handbook for Guidelines of Formulation, Processing, Approval and Revision of Development Projects in Public Sector) is attached.

Total Procurement Plan for Development Project/Programme

Ministry/Divison
Agency
Procuring Entity Name & Code
Project/Programme Name & Code

Project Cost (Taka in Lac)
Total
GOB
PA
Own Fund

Package No.	Description of procurement package as per DPP (GOODS)	Unit	Quantity	Procurement Method & Type	Tender Approval Authority	Source of Funds	Estimated Costs (Tk. in Lakhs)	Indicative Dates		
								Invitation for Tender	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8	9	10	11
Total Value of Goods										

Total Procurement Plan for Development Project/Programme

Project Cost (Taka in Lac)

Ministry/Divison
 Agency
 Procuring Entity Name & Code
 Project/Programme Name & Code

Total
 GOB
 PA
 Own Fund

Package No.	Description of procurement package as per DPP (Works)	Unit	Quantity	Procurement Method & Type	Tender Approval Authority	Source of Funds	Estimated Costs (Tk. in Lakhs)	Indicative Dates			
								Invitation of Prequalification (if required)	Invitation for Tender	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8	9	10	11	12
Total Value of Works											

Total Procurement Plan for Development Project/Programme

Project Cost (Taka in Lac)

Ministry/Divison
 Agency
 Procuring Entity Name & Code
 Project/Programme Name &
 Code

Total
 GOB
 PA
 Own Fund

Package No.	Description of procurement package as per DPP (Service)	Unit	Quantity	Procurement Method & Type	Tender Approval Authority	Source of Funds	Estimated Costs (Tk. in Lakhs)	Indicative Dates			
								Invitation for EOI	Issue of RFP	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8	9	10	11	12
Total Value of Service											