

# **Report On**

## **Supplier Relationship Management in Public Procurement of Bangladesh: The case of Information and Communication Technology (ICT) Division**

**By**

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**20282007**

An internship report submitted to the Institute of Governance and Development (BIGD)  
in partial fulfillment of the requirements for the degree of  
'Masters in Procurement and Supply Management'

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

**BRAC University**

**August 2022**

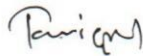
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## Declaration

It is hereby declared that

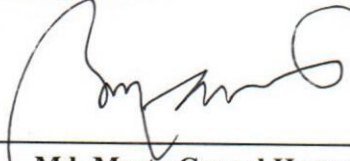
1. The internship report submitted is my original work while completing my degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through complete and accurate referencing.
3. The report does not contain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

**Student's Full Name & Signature:**



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Principal Project Management Consultant  
at World Bank & Ministry of Planning  
and Faculty, BIGD, BRAC University

## Letter of Transmittal

**Md. Mosta Gausul Hoque, PMP**

Principal Project Management Consultant  
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and Faculty, BIGD, BRAC University

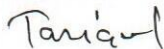
**Subject:** Submission of PSM- 665 Report on ‘Supplier Relationship Management in Public Procurement of Bangladesh: The case of Information and Communication Technology (ICT) Division.

Dear Sir,

With due respect, I am submitting the report entitled ‘Supplier Relationship Management in Public Procurement of Bangladesh: The case of Information and Communication Technology (ICT) Division’ as a partial requirement for fulfillment of the MPSM at BIGD, BRAC University.

I have attempted my best to finish the report with the essential data and recommended proposition in a comprehensive manner as possible. I trust that the report will meet the desires.

Sincerely yours,



**Md. Tariqul Islam**

Student ID: 20282007

BRAC Business School

BRAC University

Date:

## Non-Disclosure Agreement

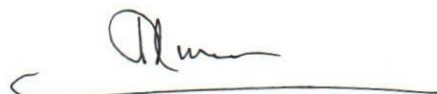
This agreement has made and entered into by and between Dr. Ashoke Kumer Roy, Project Director, Bangladesh e-Government ERP Project, Bangladesh Computer Council, ICT Division as the First Party and the undersigned student at BRAC Institute of Governance and Development, BRAC University as the Second Party. The First Party has allowed the Second Party to prepare a report on **Supplier Relationship Management in Public Procurement of Bangladesh: The case of Information and Communication Technology (ICT) Division** in partial fulfillment of the requirements for the degree of Masters of Procurement and Supply Management. The Second Party will have the opportunity to work closely with the officials of the organization and have access to official data and information. Based on work experience, data, and information collected the Second Party will prepare a report. The second Party will use all sorts of data and information for academic purposes and will not disclose to any party against the interests of the First Party.

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## **Acknowledgment**

I express my deep gratitude to my academic supervisor Md. Mosta Gausul Hoque, PMP, Principal Project Management Consultant at World Bank & Principal Project Management Consultant and Faculty, BIGD, BRAC University for his continuous guidance and mentoring throughout the MPSM course. This report would not be possible without his generous guideline, support and feedback.

I am profoundly indebted to Dr. Ashoke Kumer Roy, Deputy Secretary to the Government and Director, Bangladesh Computer Council (BCC) who has acted as a workplace supervisor for my report. I got excellent cooperation, support, and guideline for completing this report. He has always helped me to gather the necessary information, and to draft and finalize this report for submission at the BIGD, BRAC University.

I would express my thanks to faculty members and officials of BIGD, BRAC University who have guided us throughout this course. Special thanks to all officers of the Information and Communication Technology (ICT) Division for their cooperation and support to complete this report. Also, thanks to all other individuals who have helped me to complete this report in different capacities.

Lastly, I would express my thanks and gratitude to my family members who have supported me to complete the MPSM course. Without this support, I would not be able to complete this course during the COVID- 19 pandemic period.

## **Executive Summary**

The Public Procurement Act, 2006 and the Public Procurement Rules, 2008 have laid down impartial, unrestricted, and nondiscriminatory provisions for the public procurement of Bangladesh through open competition among potential suppliers. The e-GP guidelines also encouraged supplier relationship management to achieve better performance in public procurement. The Information and Communication Technology (ICT) Division fully complies with all legal requirements for conducting public procurement processes using allocated public money. The division follows clear guidelines applicable to the procuring officers and potential suppliers. The supplier relationship management framework has enabled the division to achieve better performance in public procurement. The division strived to achieve accountability, transparency, and efficiency in all its activities. The utilization of information technology is playing an important role to achieve the service excellence of the division. The division should take necessary steps to disseminate required procurement-related information and arrange training for the procurement officials and suppliers to get maximum benefits for the people through effective supplier relationship management.

**Keywords:** Supplier relationship; Public procurement; ICT Division; Supplier relationship management; Supplier relationship framework; Supplier relationship spectrum.

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## **List of Acronyms**

<b>BCC</b>	Bangladesh Computer Council
<b>BD</b>	Bangladesh
<b>BDCCL</b>	Bangladesh Data Center Company Limited
<b>BHTPA</b>	Bangladesh Hi-Tech Park Authority
<b>CCA</b>	Office of the Controller of Certifying Authority
<b>CPTU</b>	Central Procurement and Technical Unit
<b>e-GP</b>	e-Government Procurement
<b>ICT</b>	Information and Communication Technology
<b>KPI</b>	Key Performance Indicator
<b>PMMS</b>	Performance Measurement and Management Systems

## Chapter- 1: Introduction

Supplier relationship management is the most critical activity of the procurement process. The intense competition in the global market has forced manufacturers to maintain a healthy relationship with their potential suppliers [Oghazi *et al.*, 2016]. Walker and Brammer (2012) have studied sustainable procurement and the e-procurement process in more than 20 countries. They have concluded that supplier relationship management positively correlates with the sustainability of the public procurement process. Lintukangas *et al.* (2013) surveyed 165 firms in Finland to study the effect of supplier relationship management on green procurement, end-customer expectations, and profitability. The study recommended that organizational efforts in supplier relationship management increase customer satisfaction, business sustainability, and responsiveness to customer expectations. Mandiyambira (2012) opined that maintaining long-term supplier relationships with potential suppliers in the public sector achieves more benefits than adversarial relationships.

Supplier relationship management is an important concern for public procurement. Public procurement is governed by strict laws, rules, regulations, and guidelines for maintaining fair competition among suppliers. Public procurement in Bangladesh also incorporated supplier relationships in the procurement process that extends from adversarial to long-term partnerships. The public procurement law, 2006; the public procurement rules, 2008; e-GP guidelines and procurement-related circulars, orders, and guidelines enhances supplier relationship management in various dimensions. The Central Procurement and Technical Unit (CPTU) has introduced a unified public procurement framework to strengthen accountability, transparency, efficiency, and value for money through fair competition (CPTU, 2022). The Information and Communication Technology (ICT) Division and its Organizations/Institutions follow laws, rules, and regulations for supplier relationship management in procurement processes (ICT Division, 2022).

In this report, section 2 highlights the supplier relationship management aspects, section 3 outlines the supplier relationship management in public procurement in Bangladesh, and section 4 covers the supplier relationship management framework of the Information and Communication Technology (ICT) Division and its Organizations/Institutions. Finally, the last section gives some concluding remarks and future recommendations for improving the supplier relationship in public procurement.

## **Chapter- 2: Literature Review**

Supplier relationship management is a complex activity in the procurement process. Procuring entity and supplier could benefit from a well-maintained and amicable relationship. On the other hand, the adversarial relationship negatively affects the expected benefits from the procurement and causes disputes. Rockson et al. (2017) stated that government institutions should take measures to enhance supplier relationships for mutual benefits and performance enhancement of public procurement. They have identified the adversarial relationship between the institution and supplier as the most prevailing relationship where they procure products and goods in exchange for money. They have argued for a long-term relationship with the suppliers for the strategic items. The New South Wales Government (2022) has established Key Performance Indicators (KPIs) to measure the effectiveness of public procurement through supplier relationship management. The government believes it could create opportunities to explore the best alternative to achieve value for money. It has also established a supplier relationship management model, enacted guidelines, and ensured best practices. Procurement officials in the public sector should concentrate on long-term supplier relationships with the approved list of suppliers. It would help them to focus on core procurement activities, enhance decentralization and fight against corruption (Mandiyambira, 2012). Reliability, quality, and pricing strategy are essential in developing supplier relationships. Trust, honesty, product quality, delivery commitment, flexibility, and communication among the procuring entities and suppliers determine the satisfaction level of the relationship (Gupta et al., 2014). Good governance is essential in maintaining supplier relationships in the public sector. Hossain & Islam (2021) emphasizes good governance for quality procurement and procurement process in the public sector to ensure value for the money. Better management of supplier relationships helps to build trust among the procurement authorities and the suppliers. Johnson et al. (2004) studied the effect of building supplier trust on procurement performance and concluded that increased supplier trust positively impacts procurement performance and mutual gain. Naude et al. (2013) identified public procurement as a tool for socioeconomic development. They identified the supplier relationship in public procurement as primarily transactional. They argued that though the government sector has social responsibilities to all the listed suppliers, government officials may build fruitful supplier relationships to establish transparency, ethical behavior, and equitable treatment for the benefit of the consumers. They also proposed a supplier relationship management framework for public procurement.

## **Chapter- 3: Relationship Management between Buyer and Supplier**

### **3.1 Introduction**

The relationship between buyer and supplier denotes the organization's business operation to supply goods and services during the procurement process. The working relationship between buyer and supplier is developed during various business transactions and other communication to complete the procurement cycle. It forms a crucial part of the procurement cycle. The relationship management between buyer and supplier is vital for sustainable business operations. It depends on the nature of transactions and the criticality of the goods or services being purchased and supplied. It relies on many factors like effective communication, mutual respect, openness & fairness in business transactions, and terms of procurement. It may be short-term, long-term, or strategic. It may also be complex due to the intention of both parties to maximize profits from time, resources and capital invested. A good relationship brings opportunities for both parties. At the same time, an adversarial relationship ruins the prospect of business prosperity for all parties. Different tools and techniques are utilized to measure the nature of the relationship between various stakeholders. The ultimate purpose of buyer and supplier relationship management is to achieve the organization's goals, objectives, and targets to be competitive in the market.

### **3.2 Types of the Buyer and Supplier Relationship**

There are different types of buyer-supplier relationships. Based on the agreed contract and duration of the supply tenure, it may be divided into two categories, namely (1) Short term relationships and (2) Long term relationships. Considering the supply chain network relationship may be divided into (1) Vertical (2) Horizontal and (3) Full collaboration. The relationship perspective may be (1) Transactional (2) Collaborative or (3) Strategic. All these relationships have been discussed as follows:

#### **3.2.1 Short-term Relationship**

When the relationship is based on a particular supply of goods or services and involves transactional items, it may be termed a short-term relationship. It is beneficial when the buyers want the flexibility to switch suppliers at any time to get a more competitive advantage in the market. It is suitable when the market price of materials is volatile and long-term commitment is not appropriate for the organization's benefit. It may provide price discounts and special deals

due to high-level competition. On the other hand, it has some disadvantages. It reduces payment and order flexibility. For example, the new supplier may not agree to a long-term payment schedule and may demand definite purchase order. It also decreases the reliability of the supplier. Supplier development is not possible for a short-term relationship.

### **3.2.2 Long-term Relationship**

The long-term buyer and supplier relationship form the strategic materials or services supply among trusted, committed and reliable partners. Relationships over a long period provide unique benefits for both the buyer and supplier. More outstanding commitment provides the reliability of the supply chain, more discounts, and flexibility in the supply and payment system. It helps to share information, accurate forecasts, and customer knowledge for mutual benefits. It enhances product innovation, recognition, and risk-sharing. However, long-term relationship reduces competition and increases dependencies. Switching suppliers may be difficult when required. There is a chance to develop a monopoly. Therefore, the organization needed help to achieve the benefits of market competition.

### **3.2.3 Vertical Relationship**

When the buyer and supplier are vertically linked, it is termed a vertical relationship. It is the traditional linkages in the supply chain where retailers, distributors, manufacturers, and raw materials suppliers are vertically connected.

### **3.2.4 Horizontal Relationship**

When the firms are horizontally connected and cooperate to achieve goals and targets, it is the horizontal relationship between buyer and supplier. For example, two transport companies share their facilities for better performance and customer satisfaction. Both companies want to minimize costs and be competitive in the market through horizontal relationships.

### **3.2.5 Full Collaboration**

In a collaboration relationship, the company shares the business arrangements in vertical and horizontal positions to compete in the market.

### **3.2.6 Transactional**

Transactional relationships develop based on quality, price, and availability. When the products are readily available in the market, many suppliers exist, and the company does not have to maintain a long-term relationship, then it goes for a transactional relationship.

### **3.2.7 Collaborative**

The collaborative relationship between buyer and supplier develops when the materials or services are more specialized and personalized. A long-term relationship grows between buyer and supplier that looks forward to mutual benefits. Both parties share a common interest and benefit from added value. In such a relationship, the supplier participates in further improvements and innovations. Buyer takes the initiative for supplier development. They jointly set targets for improvement in cost and quality.

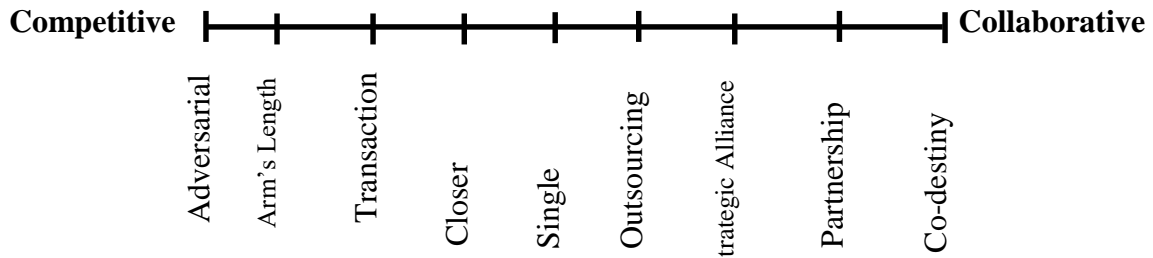
### **3.2.8 Strategic**

The strategic relationship develops when the buyer and supplier find a common area to collaborate. They complement each other for mutual benefit and better customer satisfaction. For example, Banks provide financial services to customers through banking software, where the software company provides software, hardware, and training to the bank's employees to operate the software. Bank and Software Companies are interdependent to provide services and form a strategic relationship for better performance.

## **3.3 Relationship Spectrum**

The relationship between supplier and buyer depends on mutual benefits, the attractiveness of the business, influencing capability, and strategic importance. According to the relationship spectrum, it extends from competitive to collaborative based on the context of the relationship. It may be adversarial when the supply is not critical, and regular items are purchased from a wide range of suppliers. The buyer tries to get the maximum from the supplier. A low level of trust is the characteristic of adversarial relationships. Arm's length relationship is a short-term relationship that requires low involvement, a lower level of communication, less trust, and more independence between buyer and supplier. In a transactional relationship, the supplier provides minimum service to the buyer, not motivated to invest time and energy to develop a long-term relationship with the buyer. The buyer also tries to get as much as possible from the supplier. In a closer tactical relationship, the

procurement professionals focus on processes and procedures that can save time and money to meet customer demands and provide value. Tactical decisions can also help to minimize risks.



**Figure- 01:** Supplier Relationship Spectrum

**Source:** [www.cips.org](http://www.cips.org)

The supply chain professionals may choose a single source to negotiate better purchasing conditions. Some prerequisites of a single sourcing decision include prior commitment, a successful past relationship, or an ongoing long-term relationship with a supplier. In addition, it can be justified when the supplier can offer unique or outstanding quality, the order is so small that it is not worth dividing it, concentrating purchases leads to price/cost reductions, or the use of just-in-time is easier with a single supplier. The downside of this strategy is the increased dependency of the buyer on the supplier. Further, it is very difficult to balance the pros and cons of single-sourcing. Sometimes, organizations prefer outsourcing for reduced cost, increased efficiency, less price volatility, increased flexibility, and a consolidated & improved supply chain. Strategic alliance and partnership may appear for lower cost, higher quality, and improved delivery performance. The most significant benefit, however, is a faster new product introduction. Co-destiny is the strongest form of the collaborative relationship between buyer and supplier. It creates the highest level of trust, mutual obligations, continuous improvement, information sharing, joint target setting, and potentially joint investments.

### 3.4 Buyer Supplier Relationship Analytical Tools

Measuring buyer-supplier relationship performance is crucial for achieving the competitive advantage of the organization. Various analytical tools are being used to measure the performance of the supply chain relationship from the buyer-supplier perspective such as–

- (1) Pareto analysis (80/20) model;
- (2) The PMMS supply positioning model;
- (3) Kraljic's matrix (Procurement positioning grid); and
- (4) Supplier preference model.

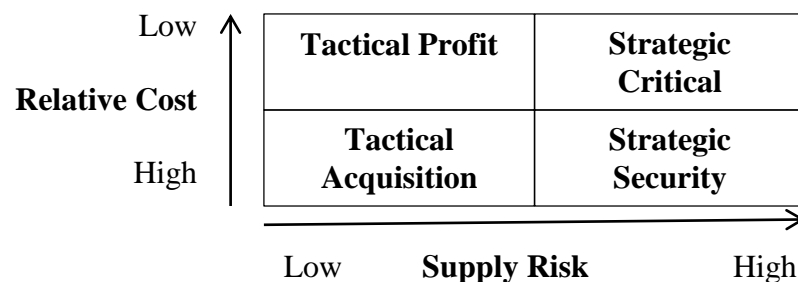


### 3.4.1 Pareto Analysis (80/20)

It is a statistical tool in the decision-making process for the selection of the most important tasks that produce a significant overall effect on performance. It is also known as the 80/20 rule. Using this technique, the buyer and supplier can identify more significant elements of their relationship that should be taken care of. It helps both of them to achieve organizational goals and targets.

### 3.4.2 The PMMS Supply Positioning Model

The PMMS supply positioning model classifies the relationship between buyer and supplier according to the profitability and supply risk. The cost component is set on the vertical axis and the supply risk is on the horizontal axis. Both variables are scaled from low to high. The relationship is categorized as (1) Tactical profit (2) Tactical acquisition (3) Strategic security and (4) Strategic critical. Based on the cost and supply risk, the buyer decides on prioritizing spend and developing the right strategy with the supplier. The supplier also develops a relationship with the buyer according to the importance and supply risk of the supplied materials or services.



**Figure- 02:** PMMS supply positioning model

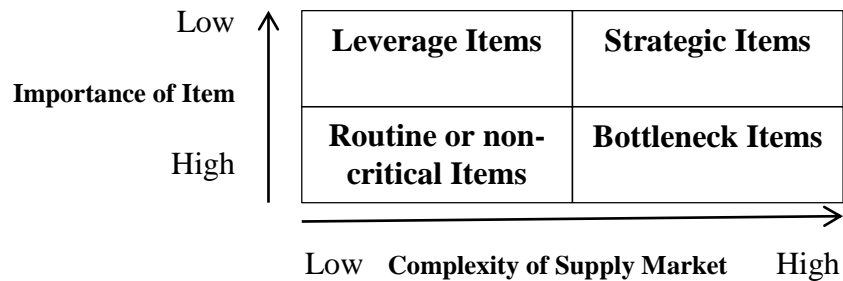
**Source:** Lim et al. (2006)

### 3.4.3 Kraljic's Matrix (Procurement Positioning Grid)

Kraljic's matrix is used to measure the complexity of the supply of materials or services for its importance to the organization. Based on the degree of supply complexity and importance, the relationship between buyer and supplier is determined. The matrix supports the buyer to decide who they should maintain the partnership or co-dependent relationship. The buyer may also go for the adversarial or arms-length relationship to get market advantages.

The importance of the item indicates the profit potential and is placed on the vertical axis labeled from low to high. On the other hand, the risk factor is labeled as the complexity of the supply market placed on the horizontal axis and measured from low to high. The supply

strategy can be ranked as high or low in terms of both supply risk and profit potential. The materials or services are categorized as (1) Leverage items (2) Routine or non-critical items (3) Bottleneck items and (4) Strategic items.



**Figure- 03:** Procurement Positioning Grid

**Source:** Cordell & Thompson (2018)

### 3.4.3.1 Leverage Items

When the items are easily available, low risk in the supply market and many suppliers exist, but have high profitability for the organization are considered leverage items. The buyer maintains a transactional relationship with the suppliers as they could easily be replaced.

### 3.4.3.2 Routine or Non-Critical Items

These items are not only low risk in terms of supply complexity but also have a lower impact on organizational profitability. The buyer manages the inventory of these items against the annually negotiated agreement. Therefore, they maintain a transactional relationship with the suppliers.

### 3.4.3.3 Bottleneck Items

These items need to ensure supply continuity as an alternative supply source is very difficult though the profitability to the organization is less. The buyer maintains a closer relationship due to the strong market position of the supplier.

### 3.4.3.4 Strategic Items

These items are critical to the organization. It has a high profitability impact and supply risk. The buyer has to depend on a limited number of supplier. The buyer ensures an effective and predictable supplier relationship. Long-term strategic relationship is maintained for development and innovation to secure mutual benefits.

### 3.5 Supplier Preference Model

The supplier preference model incorporates the value of the buyer's business concerning the attractiveness of buying organization. The supplier may consider the buyer's business at different quadrants according to high or low preference or attractiveness and respond accordingly. The supplier may consider the buyer as (a) Development (b) Core (c) Nuisance or (d) Exploitable. The model has been described below:

- (a) **Development:** The upper-left corner is the 'Development' buyer where the value of the buyer's business is not significant, but the attractiveness of the buying organization is high. The buying organization is in the growing stage, so the business prospect is high for the supplier. The supplier is ready to pay extra without charging additional charges, accommodate the volume of orders or delivery schedule and maintain a 'collaborative' relationship. For example, a new start-up has started its business in the garments sector. They will purchase large amounts of garments accessories. Garments accessories suppliers would consider it as a Development customer.
- (b) **Nuisance:** It is the lower-left corner of the matrix where the value of the buyer's business and attractiveness of the buying organization are both low. When the supplier considers a buyer not prospective or attractive, and order volume is not considerably large compared to regular order, then the supplier may consider it as a 'Nuisance' buyer. For example, the retail buyer ordering 1 or 2 pieces of product from any wholesaler may be considered a 'Nuisance' buyer.
- (c) **Exploitable:** It is the lower-right corner of the matrix. Here, the value of the buyer's business is considerably high, but the attractiveness of the buying organization is low. The supplier maintains the transactional relationship. For example, company A has ordered a considerable volume of products from a supplier, but it has no prospect to repeat the order. Then, the supplier may try to maximize his profit by exploiting the buyer.
- (d) **Core:** This is the upper-right quadrant of the matrix. When the buyer becomes attractive, and the volume of the order is also considerably high, then it is considered a 'Core' buyer. The supplier offers maximum favor to such kind of buyer and maintains consistent contact. The supplier gets maximum business from the core buyer. For example, reputed brands like H&M, Primark, etc. are the main buyers for Garments products in Bangladesh. Their quantity and frequency of orders for garments products are considerably profitable to the garments industry in Bangladesh. Therefore, they are the core buyer.

### 3.6 Outcomes

Strong buyer-supplier relationships have a significant positive effect on organizational performance, supplier performance, and entire supply chain performance. It has many positive outcomes for the business organization.

- **Reduces costs:** It helps to reduce costs of the organization.
- **Increases efficiency and communication:** It helps to increase organizational performance and efficiency. It also enhances mutual communication and information exchange for positive outcomes.
- **Pricing volatility mitigation:** Due to a strong relationship, the supplier is committed to ensuring supply. It helps the organization avoid price volatility due to market uncertainty. Pricing volatility mitigation may also help the organization to be more competitive in the market and responsive to the customer
- **Supply Chain Consolidation:** Supply chain complexity adds costs and risks. Well-managed buyer-supplier relationships help supply chain consolidation. It reduces supplier management costs, increases purchasing power, improve compliance, and increases supplier relationships.
- **Continual improvement of operations:** Long-term strategic buyer and supplier relationships help the suppliers to develop products, improve operations and introduce innovation for continuous improvement.
- **Increase trust and communication:** It increases mutual trust and communication.
- **Customer satisfaction:** It enhances customer satisfaction through the supply chain.
- **Increase profitability:** Strong buyer-supplier relationship increases profitability as it enhances the efficiency, effectiveness, and responsiveness of the organization.
- **Interpersonal relationship:** It helps to develop interpersonal relationships.

### 3.7 Value Addition by the Buyer and Supplier Relationship

The total value added to the organization maintaining the buyer and supplier relationship may be achieved through-

- Reducing cost or increasing the efficiency of the process;
- Enhancing product quality or design, brand appeal, availability, and after-sale service;
- Cutting costs (without loss of quality or product feature) or by securing operational efficiency, effectiveness, and organizational responsiveness;
- Eliminating wastes, supply risks, and uncertainty of supply network;

### 3.7.1 Intrinsic Value Creation

The set of benefits inherently possessed by the materials or services belonging to buyers or suppliers could generate value for any of them when they acquired the resources. If there is a relationship between buyer and supplier, the resources supplied to the buyer generate value for both of them irrespective of the type of relationship. For example, the supplier supplied some raw materials to a company that would be utilized for the production line of the buyer. The supplies materials intrinsically add value to the business portfolio for both buyer and supplier.

### 3.7.2 Relational Value Creation

Relational value creation is the set of benefits generated from the commercial relationship between buyer and supplier. If the relationship is strong, effective, and reliable, then the benefits would be more. When both parties go for creating more relational value, it helps to increase the relationship further. For example, a supplier never fails its supply commitment. It will be treated as the most favoured and reliable supplier to the buyer creating relational value both for them.

## 3.8 Opportunity Cost

The relationship between buyer and supplier may also incur opportunity costs. It comes in the form of additional costs, supply interruption, poor performance, losing control, and arising litigation among the parties. These elements may make an adversarial condition.

- (1) **Additional costs:** Sometimes relationships may incur additional costs to fulfil the commitments or purchase orders, mitigate supply risks, and supplier development.
- (2) **Supply interruption:** If the supplier fails to fulfil delivery orders within the stipulated delivery time, the organization may face severe consequences.
- (3) **Reputation risk:** The buyer and supplier relationship may create reputation risk for the organization that may reduce the market position. The brand reputation may lose its position when the organization fails to meet market demand.
- (4) **Performance:** The buyer and supplier relationship have a great impact on the overall performance of the organization. Strategic and collaborative relationships help to achieve better performance. If the relationship is at stake, then the overall performance would be in danger which will make the organization less responsive in the market.
- (5) **Lose control:** Long-term and strategic relationships may create the possibility of losing control over the market. The supplier may take advantage when the buyer is more dependent on the supply of certain core products.
- (6) **Litigation:** Sometimes, litigation and conflict hamper the business opportunity.

## **Chapter- 4: Supplier Relationship: The Case of the ICT Division**

### **4.1 Introduction**

Supplier relationship management is the process of maintaining professional communication and business rapport established between the buyer and Supplier due to procurement and supply of goods and services. It is the mutual relationship that continued beyond the procurement processes. Supplier relationship is important in the globalized competitive market. It helps to reduce the goods and services cost, improve procurement efficiency, develop an efficient supply chain, enhance customer satisfaction, and streamline ongoing improvement initiatives within the organization. Effective supplier relationship helps to achieve big cost saving, build trust and strategic relationship, and make the organization effective and profitable.

### **4.2 Supplier Relationship Management in Public Procurement**

The private sector organizations are practicing supplier relationship management evaluation systems to measure the procurement performance and strategic relationship with the suppliers (Lee, 2011). In developed countries, various institutions are supervising the strategic supplier relationship management in public procurement to establish fair competition, value for the money, and equitable treatment of all potential suppliers. Bangladesh has taken various reform initiatives to improve performance in public procurement. It has established a separate unit named the Central Procurement Technical Unit (CPTU) to look after the reform initiatives, digitization of the public procurement processes, and implementation of the laws, rules, and regulations of public procurement. The laws, rules, regulations, and documents related to public procurement in Bangladesh have set out clear guidelines for supplier relationship management in public procurement (CPTU, 2022).

### **4.3 Legislative Requirements for Supplier Relationship Management in ICT Division**

The Information and Communication Technology (ICT) Division is a specialized division of the Government of Bangladesh entrusted with fulfilling the “Digital Bangladesh” initiatives. As a government institution, it is bound to obey all government laws, rules, regulations, guidelines, and directives to deliver all its responsibilities. All procurements of this division should follow the directives listed in the following table:

<b>Serial</b>	<b>Laws, Rules, Regulations, Guidelines, Directives</b>
1.	Constitution of Bangladesh
2.	The Government Servants Conduct Rules with all amendments
3.	The Government Servants (Discipline & Appeal) Rules, 2018
4.	The Public Procurement Act, 2006 with all amendments
5.	The Public Procurement Rules, 2008 with all amendments
6.	e-GP guidelines and Information Security Policy issued by the Central Procurement Technical Unit (CPTU)
7.	Delegation of Financial Power
8.	Project Implementation Guidelines
9.	Applicable all financial rules and regulations
10.	Other rules, regulations, guidelines, and orders to the public procurement

**Table- 1:** Public Procurement Laws, Rules, Regulations, Guidelines, and Directives

#### **4.4 Supplier Relationship Management Framework of the ICT Division**

##### **4.4.1 ICT Division at a Glance**

In 2002, the ministry of ‘Science and Information & Communication Technology’ was formed. On 04 December 2011, the ‘Information & Communication Technology Division’ started its journey as an independent division of the government of Bangladesh. It is the highest body for the formulation, implementation, and monitoring of ICT-related projects, programs, and policies. It is headed by a Minister/State Minister. A senior secretary/secretary appointed as the administrative head and chief accounting officer by the government. The ICT Division is entrusted to make the ‘Sonar Bangla’ in reality through information and communication technology. The main responsibilities of this division may be summarized as follows:

- (1) ICT policy for the development of the country;
- (2) Materialize the ‘Digital Bangladesh’;
- (3) Coordinating ICT-related initiatives among all other ministries;
- (4) Formulating and implementing projects, programs, and promotional activities;
- (5) Taking necessary steps to mitigate the digital divide within the country;
- (6) Formulate ICT laws, policies, rules, and other legal instruments;
- (7) Acting as a focal point of the government for ICT initiatives by the Government.



#### **4.4.2 Organization/Company of ICT Division**

The Information and Communication Technology Division is consisting of six organizations/companies. Besides the division, all these organizations/companies perform their activities including all procurement to implement their assigned duties. The organizations/companies are listed below-

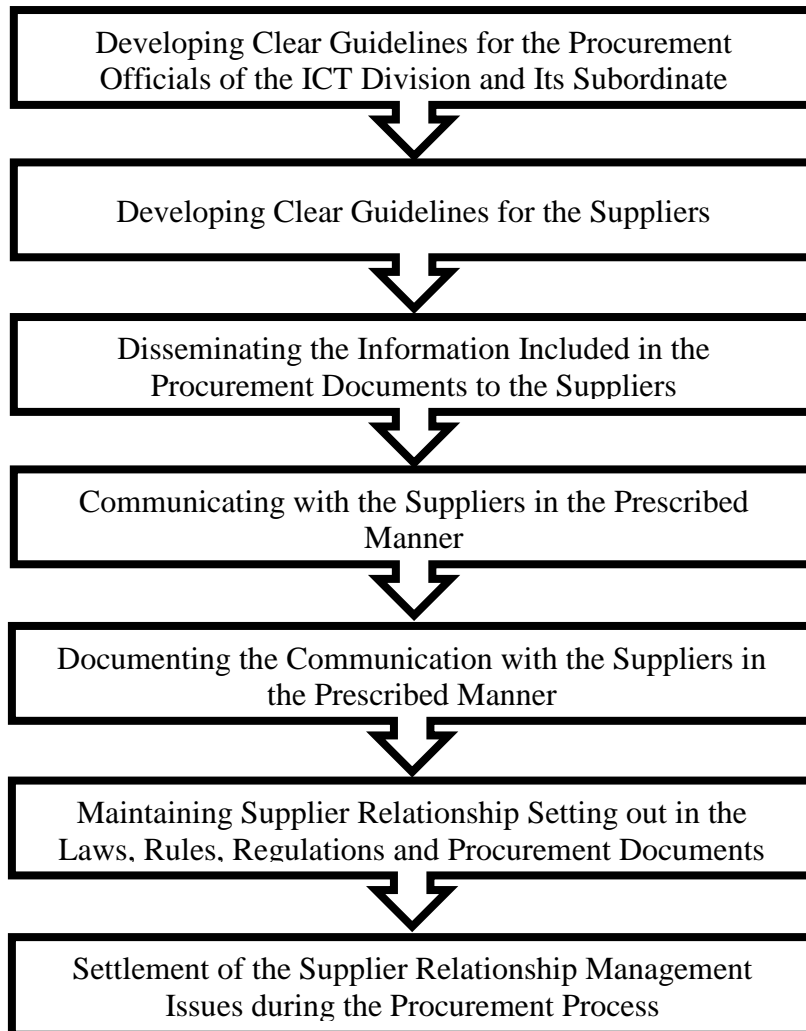
- (1) Bangladesh Computer Council (BCC);
- (2) Bangladesh Hi-tech Park Authority (BHTPA);
- (3) Office of the Controller of Certifying Authority (CCA);
- (4) Directorate of ICT Security Agency;
- (5) Bangladesh Data Center Company Limited (BDCCL); and
- (6) Startup Bangladesh Limited.

#### **4.4.3 Supplier Relationship Management Framework of ICT Division**

The Public Procurement Act 2006 (BD) has declared the core values of public procurement in Bangladesh that it should establish transparency and accountability for procuring goods, works, and services using public money through free and fair competition with equitable treatment among all parties who wish to participate in the procurement process. The Public Procurement Rules 2008 (BD) have also set provisions for impartial, ethical, and non-discriminatory relationships with potential suppliers for public procurement using public money. The Information and Communication Technology (ICT) Division is obliged to fully comply with all public procurement laws, rules, regulations, guidelines, and other legal instruments to uphold the core values set out in the Public Procurement Law, 2006 and the Public Procurement Rules, 2008. It follows the following framework for supplier relationship management of all procurement processes using public money.

The Information and Communication Technology (ICT) Division and its Organizations/Institutions follow the Supplier Relationship Management framework. The first stage of the framework set out clear guidelines for the concerned officials who manage the procurement activities of the ICT Division and its organizations/institutions. The guidelines are based on public procurement laws, rules, regulations, and orders. The suppliers' guidelines provide a clear boundary for the relationship with the procuring officials. All information to the suppliers is communicated following the guidelines and properly documented for future reference. All kinds of relationships are operated to uphold the core values of public procurement in Bangladesh. The supplier relationship management issues aroused from any

stage of the procurement are resolved by a high power committee form in this regard. If the suppliers are not satisfied they can go to the Central Procurement Technical Unit (CPTU), an arbitration body, or Court for relief.



[Source: Author's own research]

**Figure:** Supplier Relationship Management Framework

## **Chapter- 5: Conclusion**

Supplier relationship management in public procurement of Bangladesh should uphold the core values set out in the Public Procurement Act, 2006. The Public Procurement Rules, 2008; e-GP guidelines and other instruments should be followed to achieve value for the money. The Information and Communication Technology (ICT) Division should use information technology to achieve mutual benefits from free, fair, and equitable supplier relationship management throughout the public procurement processes.

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