

Report on
Improving Contract Management Process in IDCOL, Bangladesh

By

Md. Abu Taleb

22282009

A practicum report submitted to the BRAC Institute of Governance and Development (BIGD) in partial fulfillment of the requirements for the degree of Masters in Procurement and Supply Management (MPSM).

BRAC Institute of Governance and Development (BIGD)

BRAC University

August 27, 2024

©2024. BRAC University
All rights reserved.

Declaration

It is hereby declared that the report submitted is my original work while completing my degree at BRAC University. 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. The report does not contain material that has been accepted, or submitted, for any other degree or diploma at a university or other institution. I have acknowledged all main sources of help.



Md. Abu Taleb

22282009

Academic Supervisor's Full Name and Signature



Mohammad Sirajul Islam

Sr. Academic Coordinator, BIGD, BRAC University

Letter of Transmittal

Mohammad Sirajul Islam
Sr. Academic Coordinator
BIGD, BRAC University

Subject: Submission of practicum report titled “Improving Contract Management Process in Infrastructure Development Company Limited (IDCOL), Bangladesh”

Dear Sir,

I am grateful to submit herewith my report on “**Improving Contract Management Process in Infrastructure Development Company Limited (IDCOL), Bangladesh**”, 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 from previous contract documents and consultation with the senior officials involved in the contract management process.

I hope that the report will meet the desires.

Sincerely yours,


Md. Abu Taleb

BIGD, BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by the undersigned Md. Abu Taleb at BRAC University and the Infrastructure Development Company Limited (IDCOL). As I am currently working at the organization, I have access to the Organization's information. I agree that I will keep all the information strictly confidential and will not share it with anyone outside of the organization.

Student's Full Name and Signature



Md. Abu Taleb

Student ID: 22282009

Workplace Supervisor's Full Name and Signature



Sudipto Khatib

Manager Procurement

Infrastructure Development Company Limited

Acknowledgment

I would like to express my sincere gratitude to those who have supported me in developing this report.

First and foremost, I would like to thank my academic coordinator, Mohammad Sirajul Islam, Sr. Academic Coordinator, BIGD, BRAC University whose invaluable guidance and encouragement have been instrumental in the completion of this report. Your insights and feedback have greatly enhanced the quality of this work.

I am deeply grateful to my workplace supervisor, Sudipto Khatib, Manager, Procurement for his unwavering support and understanding throughout this process. Your expertise and patience have provided me with the confidence and knowledge necessary to tackle this complex subject.

I also wish to extend my heartfelt appreciation to my family members. Your constant encouragement, love, and understanding have been my pillars of strength. Without your unwavering support and sacrifice, this report would not have been possible.

Additionally, I would like to acknowledge the role of modern technology in assisting with the development of this report. Tools like Grammarly and ChatGPT have been invaluable in ensuring clarity, coherence, and quality in my writing. Grammarly has helped refine my language and grammar, while ChatGPT has provided useful insights and assistance in structuring and drafting the content.

Thank you all for your continuous support and belief in my capabilities. This report is a reflection of your guidance, encouragement, and the effective use of modern technological tools.

Executive Summary

This report, titled "Improving Contract Management Process in IDCOL," presents a comprehensive analysis of the current contract management practices at Infrastructure Development Company Limited (IDCOL) and proposes strategic recommendations to enhance its effectiveness. The study is structured into four chapters, each addressing critical aspects of contract management.

The first chapter provides a detailed overview of IDCOL, including its mission, vision, and operational scope. It also outlines the objectives and scope of the practicum, focusing on the need to improve contract management practices within the organization. The chapter establishes the foundation for the subsequent analysis and recommendations.

Chapter two delves into the intricacies of contracts and their management within IDCOL. It begins with a definition of a contract and its essential elements, followed by a discussion on the types of procurement contracts utilized by the organization. The chapter elaborates on the role of a contract manager, detailing the current contract management processes at IDCOL. It provides a thorough understanding of how contracts are managed, monitored, and executed within the company.

This chapter identifies and analyzes the existing challenges and inefficiencies in contract management at IDCOL. Key issues include shortage of personnel to manage contracts effectively; inadequate contract performance monitoring and evaluation mechanisms; insufficient knowledge of the Public Procurement Act 2006 (PPA-2006) and Public Procurement Rules 2008 (PPR-2008) among stakeholders; and absence of technical tools to monitor the contract management process.

Furthermore, the chapter benchmarks IDCOL's contract management practices against international standards, highlighting areas where improvements are necessary.

The final chapter offers strategic recommendations to address the identified challenges and enhance contract management at IDCOL. The key recommendations include:

1. **Appointment of a Contract Manager:** Designate a dedicated contract manager to oversee all contract-related activities, ensuring better coordination and management.
2. **Contract Performance Monitoring and Evaluation:** Implement robust mechanisms to monitor and evaluate contract performance regularly, ensuring compliance and addressing issues promptly.
3. **Training to Enhance Stakeholder Knowledge in Procurement Regulations:**
Conduct regular training sessions for stakeholders to improve their understanding of PPA-2006 and PPR-2008, ensuring adherence to procurement regulations.
4. **Use of Technology in Contract Management:** Integrate advanced technological tools to streamline and automate the contract management process, enhancing efficiency and accuracy.

These recommendations aim to strengthen IDCOL's contract management framework, ensuring more efficient and effective procurement processes. Implementing these strategies will help mitigate existing challenges, align IDCOL's practices with international standards, and ultimately contribute to the organization's overall success.

List of Acronyms

ABD	Asian Development Bank
ERD	Economic Relations Division
ERP	Enterprise Resource Planning
IDCOL	Infrastructure Development Company Limited
JICA	Japan International Corporation Agency
KfW	KfW Development Bank, a German state-owned investment and development bank, based in Frankfurt.
KPI	Key Performance Indicator
MPSM	Masters in Procurement & Supply Management
PPA	Public Procurement Act- 2006
PPR	Public Procurement Rule- 2008
SCM	Supply Chain Management
STEP	Systematic Tracking of Exchanges in Procurement
TOR	Terms of Reference
WB	The World Bank

Table of Contents

Student's Declaration	ii
Letter of Transmittal	iii
Non-Disclosure Agreement	iv
Acknowledgment	v
Executive Summary	vi
List of Acronyms	viii
Chapter 1	1
1.1 Overview of the Company	1
1.2 Summary of Procurement Activities at IDCOL	1
1.3 Objectives of Practicum	2
1.4 Practicum Methodology	2
Chapter 2	4
2.1 Introduction to Contract	4
2.2 Defining Contract, Types, and Key Aspects	5
2.3 Contract Management	6
2.3.1 Current Contract Management Processes at IDCOL	7
Chapter 3	8
3.1 Existing Challenges and Inefficiencies Related to Contract Management at IDCOL	8
3.2 Benchmarking of IDCOL's Contract Management with that of International Practice	11
Chapter 4	13
4.1 Conclusion	13
4.2 Recommendation	14

Chapter 1

Overview of Organization and Scope of Practicum

1.1 Overview of the Company

Infrastructure Development Company Limited (IDCOL) was established on 14 May 1997 by the Government of Bangladesh. The Company was licensed by the Bangladesh Bank as a non-bank financial institution (NBFI) on 5 January 1998. Since its inception, IDCOL has played a major role in bridging the financing gap for developing medium to large-scale infrastructure and renewable energy projects in Bangladesh. The company now stands as the market leader in private-sector energy and infrastructure financing in Bangladesh.

IDCOL is managed by an eight-member independent Board of Directors comprising four senior government officials, three representatives from the private sector, and a full-time Executive Director and Chief Executive Officer. It has a small and multi-skilled workforce comprising financial and market analysts, engineers, lawyers, IT experts, accountants, and environmental and social safeguard specialists. IDCOL's stakeholders include the government, private sector, NGOs, multilateral and bilateral institutions, academics, and the people of Bangladesh at large.

1.2 Summary of Procurement Activities at IDCOL

The Procurement Unit plays a crucial role in the development of the organization by procuring a wide range of goods, works, and services, encompassing both consulting and non-consulting services, regularly. Regularly procured goods primarily include IT items such as toner, printers, laptops, desktops, SAN switches, and licenses for software like Microsoft Windows, Microsoft 365, and antivirus programs. Additionally, the Procurement Unit procures promotional items such as new year calendars, notebooks, Pohela Boishak gifts, umbrellas, T-shirts, leaflets, brochures, and shop signage.

Apart from these goods, the Procurement Unit is also responsible for awarding contracts for various renovation works. The procurement of consulting services is paramount, as it is closely related to implementing foreign funds. IDCOL receives funding from different development partners, including the World Bank, Asian Development Bank, Japan International Cooperation Agency, Asian Infrastructure Investment Bank (AIIB), KfW, GIZ, and the Green Climate Fund.

1.3 Objectives of Practicum

My practicum work is based on the contract management processes at IDCOL. Its key objective is to examine the current contract management practices within the organization and suggest recommendations to improve the contract management processes. The detailed objectives include

- i. **Identify existing challenges and inefficiencies:** Assess the current state of contract management at IDCOL to pinpoint specific challenges, inefficiencies, and areas of concern that are affecting the overall effectiveness of contract administration.
- ii. **Comparing the company's benchmark against best practices:** Compare IDCOL's current practices with industry standards and best practices to understand where the company stands about the optimal contract management process.
- iii. **Providing strategic recommendations to improve contract management processes:** Offer strategic insights and actionable recommendations to address identified gaps and improve contract management processes, ensuring they are robust, efficient, and aligned with organizational goals.

1.4 Practicum Methodology

To achieve the above-mentioned objectives, the initial approach is reviewing the previous contract documents to gather relevant knowledge and background and assess the current contract management practices at IDCOL. More specifically, I have applied my learning from

coursework to assess the current contract management process at IDCOL under my workplace supervisor. My professional work experience has also been utilized to elaborate practicum objectives.

Chapter 2

Contract and its Management at IDCOL

2.1 Introduction to Contract

Contracts play a critical role in procuring goods, works, and services by providing a clear and legally binding framework that defines the rights and obligations of all parties involved. In procurement, contracts ensure that the buyer and supplier have a mutual understanding of the specifications, quality, quantity, and delivery timelines of the goods or services being procured. This clarity helps prevent misunderstandings and disputes, ensuring that the procurement process runs smoothly. Additionally, contracts outline payment terms and conditions, helping to secure financial transactions and manage budget expectations. By establishing these parameters, contracts help mitigate risks and protect the interests of both the buyer and the supplier.

Furthermore, contracts in procurement facilitate compliance with legal and regulatory requirements. They ensure that all procurement activities adhere to applicable laws, industry standards, and organizational policies. This is particularly important in large-scale or public-sector projects, where transparency and accountability are paramount. Contracts also provide a basis for performance monitoring and evaluation, allowing buyers to hold suppliers accountable for meeting agreed-upon standards and deliverables. In the event of non-compliance or breach of contract, the documented terms provide a foundation for resolving disputes through negotiation, mediation, or legal action. Ultimately, the use of contracts in procurement fosters trust and collaboration between parties, contributing to the successful and efficient execution of projects.

2.2 Defining Contract, Types, and Key Aspects

A contract is a legally binding agreement between two or more parties that creates mutual obligations enforceable by law. The fundamental principle of contract law is that agreements made between parties must be honored and adhered to, provided they meet certain criteria.

The key elements of a contract include offer, acceptance, and consideration. There are other important elements required for a valid contract such as intention to create a legal relation, capacity and legality. Understanding these elements is crucial for anyone involved in the creation or management of contracts, ensuring that all agreements made are valid and enforceable.

Procurement contracts are agreements between buyers and sellers to acquire goods, services, or works. Each type of procurement contract has specific features that make it suitable for different situations and project requirements. Below are the common types of procurement contracts:

i. Fixed-Price Contracts

In a fixed-price contract, the price is agreed upon at the outset and does not change regardless of the costs incurred by the seller. The detailed types include Firm Fixed-Price (FFP), Fixed-Price Incentive Fee (FPIF), and Fixed-Price with Economic Price Adjustment (FP-EPA).

ii. Cost-Reimbursement Contracts

In cost-reimbursement contracts, the buyer agrees to pay the seller for all allowable costs incurred during the performance of the work, plus a fee representing the seller's profit. Detailed categories are Cost-Plus Fixed Fee (CPFF), Cost-Plus Incentive Fee (CPIF), and Cost-Plus Award Fee (CPAF).

iii. Time and Materials (T&M) Contracts

T&M contracts pay the seller based on the time spent and materials used for the project. They are often used when the scope of work is not clearly defined.

iv. Unit Price Contracts

In unit price contracts, the buyer pays the seller a predetermined amount for each unit of work completed. These contracts are often used in construction projects where quantities of work can be measured in units (e.g., cubic yards of concrete, square footage of painting).

v. Lump Sum Contracts

A lump sum contract, also known as a stipulated sum contract, requires the seller to complete the work for a single, agreed-upon price. This type of contract is common in construction projects.

The choice of contract type depends on several factors, including the nature of the project, the level of uncertainty, the degree of control the buyer wants over costs, and the willingness of the seller to assume risk.

2.3 Contract Management

Procurement contract management is the process of systematically and efficiently managing contract creation, execution, and analysis to maximize operational and financial performance and minimize risk. This process begins with the drafting and negotiation of contracts, ensuring that all terms are clear, fair, and legally compliant. Effective contract management involves close monitoring of contract performance to ensure that all parties fulfill their obligations. This includes tracking delivery schedules, quality of goods or services, compliance with terms and conditions, and timely payments. By maintaining thorough records and documentation, organizations can ensure transparency and accountability throughout the procurement process.

Additionally, procurement contract management plays a crucial role in identifying and addressing potential issues before they escalate into disputes. Regular communication and collaboration with suppliers allow for the early detection of problems such as delays, quality issues, or changes in market conditions. Proactive contract management also involves

periodic reviews and amendments to contracts to reflect changing circumstances or requirements, ensuring that agreements remain relevant and effective. By fostering strong relationships with suppliers and implementing robust contract management practices, organizations can achieve better value for money, enhanced supplier performance, and overall improved procurement outcomes. Effective procurement contract management ultimately supports strategic goals, enhances operational efficiency, and mitigates risks associated with procurement activities.

2.3.1 Current Contract Management Processes at IDCOL

At Infrastructure Development Company Limited (IDCOL), the contract management processes encompass the complete lifecycle of contracts, from initiation and planning through execution, monitoring, and closure. These processes are designed to ensure the procurement and management of goods, works, and services are conducted efficiently and in compliance with organizational policies and donor requirements.

The key stages of contract management at IDCOL are stated below:

- Contract initiation and planning, needs assessment, scope definition, budgeting and procurement planning
- Contract solicitation and award: tendering process, tenders/proposals evaluation, and contract award
- Contract execution and administration: kick-off meetings, performance monitoring, change management
- Contract compliance and risk management
- Contract closure and evaluation: completion review, final payment and documentation, and performance evaluation

Chapter 3

Practicum Findings and Observations

3.1 Existing Challenges and Inefficiencies Related to Contract Management at IDCOL

IDCOL procures goods, works, and services (primarily consultancy services) utilizing various development and own funds, including those from the World Bank, ADB, KfW, and JICA. Consequently, IDCOL must maintain diligent contract management practices in strict accordance with the procurement regulations set forth by these development partners as well as national procurement guidelines (i.e. PPA-2006 and PPR-2008). However, during my work with the IDCOL procurement unit, I have encountered the following challenges and inefficiencies regarding contract management:

i. Shortage of Personnel

IDCOL is a large organization with a significant volume of procurement activities. Despite the extensive procurement operations, the procurement unit is currently staffed by only two personnel. This inadequate staffing level severely hampers the unit's ability to effectively monitor and manage contracts. The substantial workload overwhelms the limited personnel, leading to delays in contract execution, insufficient oversight, and an increased risk of errors. As a result, the procurement unit struggles to ensure compliance with contractual terms and conditions, adhere to procurement regulations set by development partners, and maintain high standards of contract quality and performance. This shortage of personnel undermines the efficiency and reliability of the procurement process, potentially affecting the organization's overall operational effectiveness and stakeholder satisfaction.

ii. Inadequate Contract Performance Monitoring

Effective contract management necessitates continuous monitoring and evaluation of contract performance. At IDCOL, I have observed a deficiency in robust systems for tracking contract

milestones, deadlines, and compliance with contractual terms. This deficiency can result in delays in project completion, missed deadlines, and potential disputes with contractors.

For instance, I identified that the contract period was extended only after its expiration in one individual consultancy contract. This not only causes operational delays but also constitutes a violation of compliance standards.

iii. Inadequate Contract Performance Evaluation

Effective contract management necessitates the continuous evaluation of contract performance through the use of key performance indicators (KPIs). This process is vital for assessing and monitoring the performance of suppliers, contractors, and consultants to ensure they meet the expected standards and deliverables. However, it has come to my attention that IDCOL lacks an annual performance evaluation system for these entities. This absence of a structured evaluation process hinders identifying and distinguishing high-performing suppliers, contractors, and consultants from those who may not meet our performance expectations.

iv. Inadequate Knowledge of PPA-2006 and PPR-2008

IDCOL, as a government-owned organization, adheres to the Public Procurement Act 2006 (PPA-2006) and the Public Procurement Rules 2008 (PPR-2008) for all procurement activities utilizing company funds. However, it has been observed that the personnel involved in procurement processes, including contract management, often lack comprehensive knowledge and understanding of PPA-2006 and PPR-2008. This knowledge gap frequently leads to non-compliance with PPR-2008 by the contract managers overseeing specific contracts and creates misunderstandings between the stakeholders and the procurement unit.

For example, Department A intends to hire an international consulting firm, which is essential for the release of donor funds. The department takes considerable time preparing the

Terms of Reference (TOR). Upon submitting the purchase requisition to the procurement unit, they often exhibit impatience and do not allocate sufficient time for the procurement process. According to the Public Procurement Rules (PPR) 2008, a minimum of four months is required to hire an international consulting firm. This timeframe includes the publication of the Request for Expression of Interest (REOI) notice, evaluation of Expressions of Interest (EOIs), issuance of the Request for Proposal (RFP) document, evaluation of proposals, negotiations, and the award of the contract. However, Department A's reluctance to allow this necessary time often leads to misunderstandings.

v. Absence of Technical Tool to Monitor Contract Management Process

Technical tools for contract management are indispensable for improving efficiency, ensuring compliance, mitigating risks, enhancing collaboration, and providing valuable insights through data analytics. They play a crucial role in the successful execution and oversight of contracts, ultimately contributing to the overall effectiveness and profitability of an organization. However, at IDCOL, the absence of technical tools to monitor contract performance has led to inefficiencies, such as delayed contract execution, increased risk of non-compliance, diminished collaboration among stakeholders, and a lack of data-driven insights, all of which hinder the organization's ability to manage contracts effectively and maximize its operational potential.

vi. Improper Development of Terms of Reference (ToR) and Specification

The development of proper Terms of Reference (ToR) and specifications is crucial for hiring the right consultant or sourcing the appropriate goods. This development is also linked to efficient contract management. However, I have observed that, in the case of individual consultant contracts, the duration specified in the ToR was set for six months. Given the scope of the work, this duration was insufficient. Consequently, complications arise when IDCOL seeks to extend the contract's duration without increasing the contract's value. In the

procurement of goods, stakeholders frequently specify brand names within the specifications. However, as per the Public Procurement Rules (PPR) 2008, the inclusion of brand names in specifications is prohibited.

3.2 Benchmarking of IDCOL’s Contract Management with that of International Practice

Benchmarking is a powerful tool used to assess the performance of an organization or an individual by comparing it against a standard or the best practices within the industry. This process involves systematically measuring and evaluating various aspects of operations, processes, or outcomes against those of leading organizations or individuals. The insights gained from benchmarking can be invaluable in identifying strengths and weaknesses, fostering continuous improvement, and driving strategic decision-making.

In this context, I will benchmark the contract management process of IDCOL against international best practices. This comparison will provide a comprehensive understanding of IDCOL's current performance, highlight areas of excellence, and identify opportunities for improvement. By examining how IDCOL's contract management aligns with or diverges from global standards, we can develop targeted strategies to enhance efficiency, compliance, and overall effectiveness in contract management.

A comparative practice between IDCOL and the international level is presented below:

Component	IDCOL Practices	International Benchmark
Development of Terms of Reference (ToR) and Specifications	Some stakeholders at IDCOL encounter challenges in developing Terms of Reference (ToR) and specifications that align with national procurement regulations.	Emphasize precise ToR and specifications to select suitable consultants and goods.
Time Management in	IDCOL allocates sufficient time to execute procurement packages	Structured and timely procurement processes are

Procurement	following the procurement methods, contract value, and guidelines set forth by PPR-2008 and development partners.	advocated at the international level.
Contract Extensions and Modifications	IDCOL has demonstrated a lack of caution concerning the extension and modification of contracts.	At the international level, particularly with the World Bank, strict regulations are enforced regarding any modifications to procurement contracts.
Compliance and Ethical Standards	IDCOL adheres to PPR 2008 and other procurement regulations of development partners, ensuring compliance with procurement regulations and ethical standards.	International organizations also follow stringent frameworks like World Bank Procurement Regulations or UN Procurement Manual, emphasizing transparency, fairness, and competitiveness
Consideration of Whole Life Cost	IDCOL selects the lowest responsive suppliers for the procurement of goods, such as office vehicles, without considering the total life-cycle cost.	International organizations emphasize whole-life costs for the procurement of goods like vehicles.
Sustainable Procurement	IDCOL does not practice sustainable procurement.	International practices encourage sustainable procurement.

In summary, IDCOL's contract management practices align well with international benchmarks in several areas, such as compliance with procurement regulations and the structured approach to the procurement process. However, there is room for improvement in areas such as initial contract planning, time management, handling contract modifications, and consideration of whole-life costs where adopting international best practices could enhance efficiency and effectiveness.

Chapter- 4

Conclusion and Recommendations

4.1 Conclusion

Effective contract management is essential for optimizing the performance and achieving the strategic objectives of IDCOL. The analysis of the contract documents revealed several weaknesses, including inadequate development of Terms of Reference (ToR), poor scope definition, ineffective contract period management, delayed feedback, poor contract monitoring, failure to adhere to timelines, and insufficient training for contract managers. Addressing these weaknesses is crucial for enhancing the efficiency, compliance, and overall effectiveness of IDCOL's contract management practices.

However, a thorough review of the contract papers from the past five years has revealed no major observations or discrepancies regarding procurement processes. This positive finding underscores IDCOL's diligent adherence to national procurement guidelines and the procurement regulations of development partners.

The consistency in following these stringent regulations highlights IDCOL's commitment to maintaining transparency, fairness, and compliance in all procurement activities. By rigorously upholding these standards, IDCOL ensures that procurement processes are conducted with integrity and accountability, which not only fosters trust among stakeholders but also enhances the organization's reputation.

The absence of significant issues in the procurement records demonstrates the effectiveness of IDCOL's internal controls and governance frameworks. It reflects a well-structured and disciplined approach to procurement management, which is crucial for achieving project objectives and delivering value to both the organization and its partners.

This strong track record of compliance and excellence in procurement processes positions IDCOL as a benchmark for other organizations striving to meet high standards in contract

management and procurement practices. It also provides a solid foundation for continuous improvement and future success.

4.2 Recommendations

Procurement contract management at Infrastructure Development Company Limited (IDCOL) is of paramount importance as it ensures that all procurement activities are conducted efficiently, transparently, and in compliance with regulatory as well as development partners' requirements. Effective contract management mitigates risks, optimizes supplier performance, and guarantees the timely delivery of goods and services within budget. It also enhances accountability and fosters strong relationships with suppliers, which is crucial for achieving strategic objectives and maintaining the organization's reputation. By implementing robust contract management practices, IDCOL can drive value, reduce costs, and support sustainable development initiatives, ultimately contributing to its overall mission and success.

Based on the findings and observations, the following recommendations are proposed to improve procurement contract management processes at Infrastructure Development Company Limited (IDCOL):

i. Appointment of Contract Manager:

Currently, the scope of work for the procurement team is limited to hiring consultants or consulting firms and signing contracts with suppliers or contractors after executing all procurement processes in accordance with either national or development partners' procurement guidelines. Once the contract is signed, the responsibility for managing the contract is transferred to the respective stakeholders who initiated the purchase requisition.

However, these stakeholders often face significant challenges in managing contracts effectively. Since contract management is not their primary responsibility, they are typically overwhelmed with their regular departmental duties. Additionally, many stakeholders lack

comprehensive knowledge of procurement regulations, which further impedes their ability to manage contracts efficiently.

As a result, mismanagement often occurs in contract execution and oversight. This issue can be resolved by appointing a dedicated contract manager who is well-trained in procurement contract management.

A specialized contract manager would bring the necessary expertise and focus to ensure that contracts are managed in compliance with all relevant guidelines and regulations. This appointment would alleviate the burden on stakeholders, allowing them to concentrate on their core responsibilities while ensuring that contracts are administered effectively and efficiently.

Implementing this role would enhance overall contract performance, minimize risks of non-compliance, and contribute to the achievement of project objectives. By instituting a dedicated contract management function, IDCOL can strengthen its procurement framework, reduce instances of mismanagement, and ensure that all contracts are executed to the highest standards of efficiency and compliance.

ii. Contract Performance Monitoring and Evaluation:

Contract performance monitoring and evaluation are essential for identifying both the best and worst-performing suppliers and contractors. This practice not only ensures compliance with contractual terms but also aids in managing risks, enhancing accountability, and achieving value for money.

It has been observed that IDCOL currently does not implement this practice effectively. By adopting a rigorous approach to monitoring and evaluating contract performance, IDCOL can significantly improve its procurement processes. This approach will enable IDCOL to systematically assess supplier and contractor performance, thereby recognizing those who

consistently deliver high-quality results while addressing any issues with underperforming entities.

Properly monitoring and evaluating contract performance will strengthen IDCOL's ability to ensure compliance, manage risks effectively, and enhance overall accountability. Moreover, it will facilitate better decision-making and contribute to achieving optimal value from procurement activities.

Implementing a comprehensive contract performance monitoring and evaluation system is crucial for IDCOL to enhance its procurement framework and drive continuous improvement in its contract management practices.

iii. Training to Enhance Stakeholder Knowledge in Procurement Regulations:

The findings in Chapter Four reveal a significant gap in the knowledge of procurement regulations among stakeholders involved in the contract management process. This lack of understanding hampers their ability to develop accurate Terms of Reference (ToR) and specifications, leading to complications in contract management.

To address these challenges and ensure that stakeholders are well-versed in procurement rules and regulations, IDCOL can organize comprehensive training programs. These training sessions should be designed to cover key aspects of procurement regulations, including the development of ToR and specifications, compliance requirements, and best practices in contract management.

iv. Use of Technology to Contract Management:

Till now, IDCOL has not leveraged technical tools to monitor contract performance. By integrating modern technology, IDCOL can significantly enhance its ability to monitor both contract performance and the performance of consultants and suppliers. Advanced software solutions provide real-time tracking, data-driven insights, and automated alerts, which facilitate more effective and efficient contract management. These tools can also centralize

documentation and improve communication among stakeholders, ensuring transparency and reducing the risk of miscommunication.

Utilizing modern technology will enable IDCOL to systematically evaluate the performance of consultants and suppliers against predefined criteria, identifying both high performers and areas needing improvement. This proactive approach not only ensures compliance with contractual terms but also supports continuous improvement and informed decision-making. By embracing these technological advancements, IDCOL can strengthen its procurement framework, achieve greater accountability, and enhance overall contract performance.

By implementing these recommendations, IDCOL can significantly improve its contract management processes, leading to better project outcomes, enhanced compliance, reduced risks, and stronger relationships with vendors and stakeholders. Benchmarking with organizations of a similar nature can provide valuable insights and best practices that IDCOL can also adopt to enhance its contract management processes.