

QUALITY PROCUREMENT: A COMPARATIVE STUDY BETWEEN PUBLIC AND PRIVATE PROCUREMENT PRACTICES IN BANGLADESH

**A dissertation submitted in partial fulfillment of the requirements for the
Degree of Master of Arts in Governance and Development**

Submitted By
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MAGD 5TH BATCH



MA in Governance and Development
BRAC Institute of Governance and Development, BRAC University
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June, 2015

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DECLARATION

This is hereby declared that no part of this dissertation titled “Quality Procurement: A Comparative Study between Public and Private Procurement Practices in Bangladesh” has been submitted or published somewhere else. The entire dissertation is prepared for academic quest and only designed for the partial fulfillment for the degree of Master of Arts in Governance and Development. The research is submitted to The BRAC Institute of Governance and Development, BRAC University with due acknowledgement of the cited text and norms of standard research works.

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SUPERVISOR AUTHORIZATION

I hereby recommend and certify that this dissertation entitled “Quality Procurement: A Comparative Study between Public and Private Procurement Practices in Bangladesh” is a research work conducted by Md. Kamal Hossain, MAGD 5th Batch, BU Student ID No. 13372014 under my supervision for partial fulfillment of the requirements for the degree of Master of Arts in Governance and Development in The BRAC Institute of Governance and Development, BRAC University, Dhaka, Bangladesh.

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DEDICATION

Dedicated to

My Mother Late Sabura Begum

who taught me justice and humanity, left the world

On 11 August 2012

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I express my sincere gratitude to Almighty Allah for giving me such opportunity to achieve knowledge and experience on governance and development in MAGD program. From my deepest corner of my mind, I would like to expose my solemn admiration and loyalty to Almighty who enabled me to complete the thesis along with masters program. I am also grateful to the faculty and staffs of The BRAC Institute of Governance and Development (BIGD), BRAC University for bighearted support during one year of masters program.

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Md. Kamal Hossain

June, 2015

ABSTRACT

Quality procurement and its sustainability is the utmost desire for all type of organizations in local and global perspective. In this study, it has been attempted to understand the scenario of three strategic broad tools to reach and implement quality procurement practices in both public and private entities in Bangladesh.

The objectives of the research have been drawn to know and compare the effectiveness of procurement practices in Bangladesh Betar and Grameenphone Limited, to assess the scenario of good governance, and finally, to promote the good governance practice to make feasible to sustain quality procurement practices in both organizations. The objectives have guided the methods of implementation and processes in accomplishing quality procurement at different levels of outcomes.

In this study, both the quantitative as well as qualitative investigating techniques were conducted. The major analysis has been covered by the quantitative explaining tools. Some speculations have been illustrated to identify status of the key variables of the study to the goal of quality procurement in the typical organizations in public and private sector. In the quantitative methods of analysis, the distinctive features for both Bangladesh Betar and Grameenphone Limited have analyzed by mean values with standard deviation, correlation, and regression tools. Smart guess has been drawn by discussing in informal interviews with the imperative officials, professionals, and academicians from various institutions.

In analyzing research data, it was found that the optimum success did not reveal by practicing procurement process tools in all respects, but by hypothesis outcomes, it was shown that practicing process tools and techniques may lead to the good governance and quality procurement practices in both organizations. It was also observed that the status of Grameenphone Limited was better than Bangladesh Betar in all aspects. It is supposed that a further rigorous analysis would be needed to evaluate the quality procurement practices in each organization as the research and its analysis have a number of limitations, and specify guidelines for future research to sustain quality procurement practices.

Key-words: *Quality Procurement, Good Governance, Public and Private Procurement, Bangladesh Betar, Grameenphone Limited*

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List of Acronyms and Abbreviations

AC	Attenuation of Corruption
ACE	Additional Chief Engineer
ADB	Asian Development Bank
ADP	Annual Development Program
AfDB	African Development Bank
AM	Amplitude Modulation
ANOVA	Analysis of Variance
APM	Association of Project Management
APP	Annual Procurement Plan
APS	After Procurement Service
BB	Bangladesh Betar
BBA	Bachelor of Business Administration
BIGD	BRAC Institute of Governance and Development
BP	Bill Payment
BSS	Bachelor of Social Science
CE, CE	Chief Engineer, Citizen Engagement
CGFR	Compilation of General Financial Rules
CIPS	Chartered Institute of Procurement and Supply
CPAR	Country Procurement Assessment Report
CPDI	Centre for Peace and Development Initiatives
CPDM	Capacity of Procurement Department and Management
CPTU	Central Procurement Technical Unit
CR	Corporate Responsibility
CSA	Contract Selection and Award
CSOs	Community Service Organizations
CSR	Corporate Social Responsibility
DAU	Defense Acquisition University
DC	Design Contest
DGM	Deputy General Manager
DOFP	Delegation of Financial Powers
DPM	Direct Purchasing Method
EDGE	Enhanced Data rates for GSM Evolution
e-GP, EP	E-Government Procurement, Evaluation of Procurement
ERD	Economic Relations Division
EV, FM	Ethics and values, Frequency Modulation
FPI	Free From Political Influence
GDP	Gross Domestic Product
GM	General Manager
GP	Grameenphone Limited
GPRS	General Packet Radio Service
GSM	Global System for Mobile Communication
GTC	Grameen Telecom Corporation
H-1, H-2, H-3	Hypothesis 1, Hypothesis 2, Hypothesis 3
IDA	International Development Association
IFRB	International Frequency Registration Board
IM	Inventory Management

IMED	Implementation Monitoring and Evaluation Division
IMF	International Monetary Fund
ISO	Organization for Standardization
ITC	International Trade Center
ITU	International Telecommunication Union
KII	Key Informant Interviews
KW	Kilowatt
LCS	Least Cost Selection
LTM	Limited Tendering Method
MA, MAGD	Master of Arts, Master of Art in Governance and Development
MBA	Master of Business Administration
MCSE	Media & Civil Society Engagement
MDGs	Millennium Development Goals
MS, NA	Monitoring & Supervision, Need Assessment
NGO	Non-Governmental Organization
NIGP	National Institute of Governmental Purchasing
OFC	Open and Fair Competition
OTM	Open Tendering Method
PA, PP	Proper Approval, Procurement Policies
PPA	Public Procurement Act
PPPA	Public Procurement Processing and Approval Procedures
PPR	Public Procurement Rules
PPRP	Public Procurement Reform Project
PS	Procurement Specification
PWD	Public Works Department
QCBS	Quality and Cost Based Selection
QP, RC	Qualified Professionals, Resolution of Complaints
RFQ	Request for Quotation
RM, RR	Risk Management, Rules & Regulations
SA	Standard of Auditing
SB	Sufficiency of Budget
SBCQ	Selection of Consultants Based on Consultant's Qualifications
SCP	Supplier Conduct Principles
SFB	Selection under Fixed Budget
SIC	Selection of Individual Consultant
SMS	Short Message Services
SN	Suppliers Negotiation
SoGGP	Scenario of Good Governance in Procurement
SoPP	Scenario of Procurement Practices
SoQP	Status of Quality Procurement
SPSS	Statistical Package for Social Sciences
SSS	Single Source Selection
TA	Transparency and Accountability
TIB	Transparency International of Bangladesh
TP	Tendering Process
UNDP	United Nations Development Program
VfM	Value for Money
VMS	Video Message Services
WAP	Wireless Application Protocol
3G	Third Generation

Chapter 1

Introduction

1.1 Background and Context

1.2 Statement of the Problem

1.3 Rationale of the Study

1.4 Research Objectives

1.5 Research Questions

1.6 Scope of the Research

1.7 Limitations of the Study

1.8 Organization of the Report

1. Introduction

The goal of the research is to understand and assess the scenario of procurement practices in public and private organizations in Bangladesh to the way of ensuring quality procurement for the utmost level of national development. In all respects we need to establish a quality assurance system in the procurement process. The researcher has tried to attempt to raise a number of guidelines and recommendations focusing quality procurement. This chapter encompasses a general introduction to the heading of quality procurement. This chapter also describes statement of problem, rationale of the study, research objectives, scope, limitations of the study, and a synoptic overview of writing the full report.

1.1 Background and Context

On the very perspective discussion, procurement is ultimately buying of goods, works and services. Procurement¹ either in public or private is the essential affair to manage its production and even to meet the demand of citizens and clients. In fact, procurement specialists in both sectors, and for that matter, the third sector like- volunteer, charitable, not-for profit organizations are buying from the same suppliers. Both are looking for price and value and planning responsible, flexible, efficient procurement systems (Newman, 2003).

As the agencies have the systems and rules regarding procurement, public and private sectors are reputed to be radically different in the dynamics of their operations. At the same way the other issues of differences some peripheral stuff like process, reporting, trade agreements, competition, performance, corporate culture and accountability.

Some of experts in procurement field shout that the public sector environment is largely based on legislation, policy, and process while the private sector is more receptive to entrepreneurial and enterprising dynamics in their corporate culture. Public sector procurement² professionals require significantly more than the usual amounts of

¹ Procurement is the acquisition of goods, services or works from an external source.

² Public Sector Procurement or public procurement is the procurement of goods and services on behalf of a public authority, such as a government agency.

patience, diplomacy, political intelligence, and communication skills in order to prevail and succeed, while there is greater change, more recognition, and more risk associated with private sector procurement³ (Arrowsmith Sue, 2005). Consequently, some say competence and success are typically more recognized in the private sector than in the public sector.

As a purchasing professional working in the private sector that spends a tremendous amount of time dealing with government procurement. Many a government buyer has been heard to lament how they wish that they had the freedom and flexibility to conduct business in a manner similar to their private sector colleagues, free from all of the rules, red tape and delays (Kelman Steven, 1990).

In search of quality procurement, regardless of whether work in government or industry, the essence of the purchasing professional's role and contribution to their organizations is remarkably similar. But for a lack of greater mutual understanding, not to mention innovative employment interchange opportunities, purchasing within the two sectors is more similar than most realize or care to admit. Purchasing professionals in both sectors routinely deal with a wide variety of demands and constraints in their efforts to do their job and deliver value to their organizations. While the source of these pressures may very well be different, the professional challenges they present are not.

Public sector contracts require us to adhere to the same formalized protocol, responsibility, accountability, liability, freedom of information and protection of privacy restrictions that apply to the government and public servants. We understand that we are working ultimately for the taxpayer and that these practices are warranted. The private sector offers different contractual freedoms and opportunities. Our private sector clients are concerned about market share, visibility and competitive advantage and our contracts and fees measure our ability to achieve these things. Once we have proven our corporate professionalism to a private sector client, we have established our credibility and we can contract and commit to building mutually beneficial long-term relationships.

³ Private sector procurement is the process of acquiring goods and services to satisfy the needs of a particular private entity (usually a business, for profit or not). These are goods and services needed for (i) the operation of the business or (ii) the business to use in the process of production of goods and/or services they provide to their customers.

Citizen centric governments and profit motive private organizations, however, have to practice the quality procurement for optimum service delivery to citizens and prevailing as market leader for private agency by providing branded products and services. With 10 to 15% of GDP in developed countries, and up to 20% in developing countries, government procurement accounts for a substantial part of the global economy (OECD⁴, 2011). And, almost rest of global finance is engaged directly or indirectly in the private sector procurement and even in the form of private sector investment.

A number of differences, however, are in the public and private sector procurement. Nevertheless, both are quite similar in many ways such as cost savings, quality assurance, supplier relationship, procurement ethics, supply market analysis, green procurement and so on.

In recent years, for sustenance and higher productivity most government agencies transform to both privatization and corporatization. It is believed that more controlled mechanism would adopt in private culture for ensuring higher profit while government bodies fail to attain it. Transparency International Bangladesh⁵ said that public procurement affects all the spheres of people's lives and presumes a major portion of government budget. In contrast to public organizations, following own guidelines private agencies procure goods and services efficiently and effectively (TIB, 2009).

The research is focused more on quality procurement in both agencies and prior to this, it is important to encompass a comparative study between public and private procurement practices in Bangladesh for understanding the present scenario of procurement. By understanding the factors of procurement practices, the study is endeavored to the issues of good governance in procurement to entail quality procurement (Islam, 2012).

⁴ The Organization for Economic Co-operation and Development (OECD) (French: Organisation de coopération et de développement économiques, OCDE) is an international economic organization of 34 countries, founded in 1961 to stimulate economic progress and world trade (<http://www.oecd.org/>).

⁵ Transparency International Bangladesh (TIB) is an independent, non-government, non-partisan and non-profit organization with a vision of Bangladesh in which government, politics, business, civil society and the daily lives of the people shall be free from corruption. In the context of the international movement against corruption, as the fully accredited national chapter in Bangladesh of the Berlin-based Transparency International (TI), TIB partners and cooperates with TI and its chapters worldwide.

1.2 Statement of the Problem

The procurement processes in Bangladesh for public and private organizations are different in nature. Public agencies apply government's procurement rules and regulations while private organizations exercise their own prepared policies and strategies. Along these, donor funded projects follow the procurement guidelines of predetermined donor agencies. In search of quality procurement, it is in need of maintaining proper processes with following guidelines to procurement activities for all organizations. It is evident that, in some cases, private sector procurement is more efficient than public procurement. For this reason, the way of procurement activities is maintained in both agencies has to be observed and their comparison to be identified in pursuit of quality procurement (Johnson, Leenders & McCue, 2003).

By their very nature, public and private sector businesses are different organizations operating to fulfill different objectives. While public sector businesses are under a mandate to operate efficiently their primary objective is producing public goods. Conversely private enterprises generally exist to generate a profit and return for shareholders. Both public sector and private sector procurement professionals share similar demands, constraints and responsibilities such as proving value for money, being accountable for spending decisions and adherence to procurement and financial policies (Matthews, 2005).

Both the agencies are seeking to a way of benchmarks in which they depend on performing their procurement activities. As they follow the guiding principles but due to lack of competency in implementation they fail frequently, as a result, public money and organizational goals are being hampered. So the process development may be the advent of quality procurement⁶ in both agencies (Andrew Cox, 1996).

⁶ Quality Procurement is a wide-ranging concept which covers all matters that individually or collectively influence the quality of a product when it is procured. It is the totality of the arrangements made to ensure that sourcing products are of the quality required for their intended use. Quality Procurement therefore incorporates several factors and it is an integral part of all key activities in procurement process. Prequalification of products and manufacturers, purchasing, storage and distribution are complex processes that may involve many offices, procurement agencies, sections or departments and several stages of administration, finance and technical decisions.

1.3 Rationale of the Study

In Bangladesh, the allocation for annual development program (ADP) is increasing day by day and through this allocation, the related goods, services and works are acquisitioned by public procurement. At the same time, the investment in recent fiscal years of the budget in Bangladesh is occupied almost 80% by private and non-government organizations (World Bank, 2011). A number of multidisciplinary procurement processes are performed in the private sectors. As the huge size of money is involved in the procurement process, so the urge for proper procurement is a must to optimal citizen's services in the country. By utilizing the public funds alongside the private sector development it important to practice quality procurement. So, transparency and honesty in both public and private procurement are to be essential to improve the excellent procurement management in Bangladesh (UNDP, 2006).

The study addresses the present scenario of procurement system in terms of processes and practices in the public and private sectors to bring a gap between present situations and to promote the utmost level of quality procurement. By understanding the differences and gaps to the way of good governance in the sectors, some models and frameworks would be required to design as suggestions and recommendations for quality procurement system in Bangladesh.

1.4 Research Objectives

A quality procurement practice is the ultimate desire of every organization in locally and globally. In quest of quality procurement and to understand the scenario of procurement practices in different organizations in Bangladesh for both public and private organizations, the research is aimed to emphasize on the following objectives:

- a. To know and compare the effectiveness of procurement practices for public and private organizations.
- b. To assess the scenario of good governance to the way of quality procurement for both agencies.
- c. To promote the good governance practice to make feasible to quality procurement.

1.5 Research Questions

To reach the goal of the study, some stages of understanding quality procurement would need to enquire. Observing the status the practice of procurement processes in different agencies especially in public and private, a researcher may proceed to the methods of establishing quality procurement practices. Therefore understanding the overall scenario, the study is attempted to raise the following questions:

- a. What is the effectiveness of procurement practices in public and private agencies in Bangladesh?
- b. Is the good governance practice effective for quality procurement in both agencies?
- c. Does the good governance practice make possible to quality procurement?

1.6 Scope of the Research

The research will cover the public procurement acts and rules, and private procurement guidelines in recent days those are practicing in Bangladesh. It will analyze the present conditions of procurement processes and practices in both sectors to understand the gap of governance criteria in the procurement process. Analyzing the issues the study ends a number of suggestions and recommendations to promote good governance in the procurement system⁷ to find a quality procurement system in different procuring organizations in Bangladesh. The study engages the both the sectors – public and private to identify the measures which to be crafted to the way of sustainable quality procurement practices in Bangladesh.

1.7 Limitations of the Study

The research has some limitations. For procurement practices, and observing the status of good governance and quality tools practices, the study will examine and compare only a private organization with a public entity in all aspects, and this may not depict the overall scenario of quality procurement standards. For primary firsthand data, the sample size⁸ of the total population is very small owing to time and financial limitations.

⁷ Good governance in procurement system is the establishment of a unified national procurement framework and institutionalizing the procurement management capacity to ensure economy, efficiency, transparency, fairness and better value for money (<http://www.cptu.gov.bd/>)

⁸ The sample size of the research is 60, and organizations like Bangladesh Betar and Grameenphone are of 30 each.

1.8 Organization of the Report

The dissertation report has organized with seven chapters. *The first chapter* describes the study background and context, statement of the problem, rationale of the study, research objectives and questions, research scope, its limitations, and finishing with the organization of the study.

The second chapter focuses the history of procurement and its formal starting in Bangladesh. It also expresses the procurement rules and acts following in the public sector, reviews the regulations. By the side of public sector, it is discussed a short outline regarding procurement and sourcing process in private organizations in Bangladesh.

The third chapter illustrates the profile of organizations – Bangladesh Betar and Grameenphone Limited those are considered the hub of data collection. Besides, it also explains the methods and guidelines followed by each organization.

The fourth chapter reviews the related literatures, conceptual and analytical framework of the study. It also discusses the major and minor variables under the analytical framework with their relationship to reveal the objectives, to validate the hypotheses of the study.

The fifth chapter portrays the research methodologies that compose the sources of data, data collection, sample of data, scale framing, data processing and analysis. It also covers concise discussion of data analysis with the test of reliability, correlation and regression.

The sixth chapter evaluates and analyzes the data and variable with their relationship with each other. This chapter presents the results of descriptive statistics, gap analysis of each indicator of major variables for Bangladesh Betar and Grameenphone Limited. It calculates the matters with the reliability test, hypothesis validation, correlation, and regression analysis of the variables.

Finally, *the seventh chapter* concludes with the summary of the study, suggested outline and model of procurement practices to quality procurement in different organizations in Bangladesh. It also indicates some areas of further study regarding quality procurement system.

Chapter 2

Procurement: Bangladesh Perspective

2.1 History of Procurement

2.2 History of Procurement in Bangladesh

2.3 Procurement Practices in Public Entities in Bangladesh

2.4 Public Procurement Regulations in Bangladesh

2.5 Review on Public Procurement Act 2006

2.6 Review on Public Procurement Rules 2008

2.7 The Public Procurement in Bangladesh Context

2.8 Reform Program in Public Procurement Sector

2.9 Private Sector Procurement in Bangladesh

2. Procurement: Bangladesh Perspective

2.1 History of Procurement

Historically considered a clerical activity, public procurement has become one of the most important functions of the government due to increasing size and activities of the governments, growing expenditure of the government ranging from 20%-25% of GDP in the developing countries and about 10%-25% of GDP⁹ in the developed world. In recent years attention has been paid towards the importance of public procurement in stimulating national, regional and local developments. A direct result of this interest has been a realization that if public procurement is to fulfill its potential as a driver of social and economic improvements, there is a need to focus its role in achieving transparency and accountability through a multipronged approach. In many developing countries, efforts to close loopholes for corruption or to achieve social goals have created increasingly detailed regulations and centralized control (CPDI, 2011)¹⁰.

Public procurement has a long history. It was written on a red clay tablet, which found in Syria, the earliest procurement order dates from between 2400 and 2800 B.C. The order was for “50 jars of fragrant smooth oil for 600 small weights in grain” (Coe, 1989). Other evidence of historical procurement comprises the development of the silk trade between China and a Greek colony in 800 B.C. (Khi V. Thai, 2001).

2.2 History of Procurement in Bangladesh

Forms 2908 and 2911 are two forms that have been using for the purpose of public procurement processing. These forms were introduced by the British colonial government. These documents were used by all the public procurement since independence of Bangladesh. The first uniform and standard regulation was prepared and issued by the government and made effective in September 2003 under the title —the public procurement regulation 2003. After that national assembly had passed the public procurement act 2006. Subsequently, the public procurement rule was published at 24th January 2008.

⁹ The gross domestic product (GDP) is one the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period - you can think of it as the size of the economy.

¹⁰ The Centre for Peace and Development Initiatives (CPDI) is an independent, non-partisan and a not-for-profit civil society organization working on issues of peace and development in Pakistan.

2.3 Procurement Practices in Public Entities in Bangladesh

In public procurement regime, the constitution has no direct provision bearing on public procurement. Neither is there is any procurement law or decree. The public procurement procedures and practices have evolved over the years from the days of British and subsequently Pakistani rule. A compilation of general financial rules (CGFR) originally issued under British rule was slightly revised in 1951 under Pakistani rule and was reissued in 1994 and again in June 1999 with very few changes. The CGFR, inter alia, outlines broad, general principles for government contracts to follow, leaving it to the departments to frame detailed rules and procedures for their respective procurements. It also refers to the manual of office procedure (purchase) compiled by the department of supply and inspection as the guide for the purchase of goods and the public works department (PWD) code as the guide for works. Both date back to the 1930s and have not undergone any revision worthy of mention. The CGFR also refers to the economic relations division (ERD) guidelines issued in 1992, modeled on World Bank Procurement Guidelines at the time, for procurement in externally funded projects, with the proviso that the loan conditions would prevail in case of conflict. Since independence in 1971, the public procurement practices have been influenced by the World Bank, the Asian Development Bank, and other donors since the bulk of public procurement is externally funded. Some departments, autonomous boards, and public undertakings have drafted their own set of procedures or a manual, and the rest follow the PWD code (World Bank, 2002).

Since the adoption of privatization as an economic policy reform in 1976, public procurement by contractual means in Bangladesh has been increasing day by day. Various government agencies or procurement entities, especially the ministries, divisions, departments, directorates and other autonomous, semi-autonomous bodies or corporations in Bangladesh often acquire/purchase goods, services or works by contractual means. Although restricted tendering method or direct procurement method can be used for some specific reasons, procurement and contracts in Bangladesh often take place through open competitive biddings (Islam and Md Rafiqul, 2007).

Corruption and poor governance are impeding Bangladesh's efforts to reduce its massive poverty by reducing economic growth and lowering the achievement of social objectives. They destroy citizens' faith in their government. They deter the foreign and domestic

investment, which Bangladesh needs so badly. And they undermine the ability of Bangladesh's development partners to sustain their support for the country. Economic growth is essential to reduce poverty; however, corruption slows economic growth (TIB, 2009). An amendment to a law is designed to remove the lacunas of existing law and find the way to implement the provision more effectively. But unfortunately the recent amendment introduced to the public procurement rule (PPR) would perhaps put a damper on a vital front of governance. Corruption, terrorism and mismanagement in the public purchase are the common scenario for the last decades. Mishandling of public procurement in absence of a uniform law contributed largely to the situation. Reforms in the public sector finance were initiated during the previous regime of present government. Later on the law was passed in 2006. At last public procurement act (PPA) and PPR were made effective during the caretaker government in 2008.

In the PPR 2008, there were mandatory provision of work experience and financial qualification of the bidders for submitting bids against any tender called by the government agencies to procure goods and works. At least five years of experience was required for the contractor to submit bid to get a work or supply of goods for up to BDTk. 20 million from any project implementing agencies (Daily Star, 2010).

2.4 Public Procurement Regulations in Bangladesh

In pursuance of achieving economy, efficiency, transparency and accountability in public procurement, the government of Bangladesh, has undertaken significant reforms initiatives aiming at improving performance of public procurement. In order to achieve its objective, a permanent unit, named as central procurement technical unit (CPTU) was established in 2002 as implementing unit in the field of procurement reform and reform implementation monitoring. Reform process was carried out with ultimate outcomes of formulation and issuance of a unified procurement processing system PPR 2003, implementation procedures for PPR 2003, public procurement processing and approval procedures (PPPA), revised delegation of financial powers (DOFP) and several standard tender documents (STDs) or standard request for proposal document for the procurement of goods, works and services. Later on in 2006, the public procurement act was enacted by the parliament (PPA 2006) and in 2008; a new set of public procurement rules (PPR 2008) was issued.

In continuation of its first phase of procurement reforms initiatives, a new technical assistance project titled “Public Procurement Reform Project II (PPRP-II)” was approved by the government in June, 2007 which is now being implemented by the CPTU¹¹. All these reform initiatives were undertaken by the impetus given by the World Bank and other international development agencies in order to bring a more harmonized system of government procurement all over the world. As a result of these reforms process somewhat uniform procurement procedures have been introduced in government procurement in all the different government, semi-government and autonomous bodies of Bangladesh.

2.5 Review on Public Procurement Act 2006

Public procurement act 2006 was passed by the parliament of Bangladesh and received assent of the president on 6th July 2006 and accordingly it was published in the gazette. However, the law came into force from 31st January 2008. The PPA 2006 was passed for ensuring transparency and accountability in the procurement of goods, works and services using public fund. There are 9 chapters and 73 sections in the law. All the procuring entities must follow the principles laid down in the law. This Act extends to the whole of Bangladesh. This act shall apply to the following cases:

- Procurement of goods, works or services by any procuring entity using public funds;
- Procurement of goods, works or services by any government, semi-government or any statutory body established under any law;
- Procurement of goods, works or services using public funds by a company registered under the Company Act, 1994 (Act No. 18 of 1994);
- Procurement of goods, works or services under a loan, credit or grant agreement or under any other agreement with a development partner or with a foreign state or an organization: provided that if there is anything to the contrary in any such agreement entered into, the provision of the that agreement shall prevail.

¹¹ The CPTU was established in April 2002 as a unit within the Implementation Monitoring and Evaluation Division of the Ministry of Planning. It is headed by a Director-General, who reports directly to the Secretary, IMED. The DG has a staff complement of Directors, Deputy Directors, Assistant Directors, Systems Analyst, Programmer and other support staff. The CPTU is a permanent institution of the government, funded under the revenue budget and established for carrying out the purposes which state as follows:

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

2.6 Review on Public Procurement Rules 2008

There are 130 rules, 9 chapters and 14 schedules in PPR, 2008. There are three amendments done in PPA, 2006 and two amendments done in PPR, 2008 various time with response to requirement. According to PPR, 2008 for goods and related services, and works and physical services there various methods for procurement. These are open tendering method (OTM), limited tendering method (LTM), request for quotation (RFQ), direct purchasing method (DPM), two-stage tendering method and single stage two envelope method. There are also various methods for procurement of intellectual and professional services. These are quality and cost based selection (QCBS), selection under fixed budget (SFB), least cost selection (LCS), single source selection (SSS), selection of consultants based on consultant's qualifications (SBCQ), selection amongst community service organizations (CSOs), and selection of consultants by a design contest (DC), selection of individual consultant (SIC). In chapter two, describing about preparation of tender documents and formation of different committees. In chapter three, describing principles of public procurement, in chapter four, describing methods of procurements, in chapter five, describing processing of procurement, in chapter six, describing procurement of intellectual and professional services, in chapter seven, describing professional misconduct, in chapter eight, describing e-government procurement (e-GP), and in chapter nine, describing miscellaneous issues.

2.7 The Public Procurement in Bangladesh Context

In Bangladesh, there is a fertile field for corruption in public procurement. The loose implementing the laws, corruption of procuring officials and pressure of politicians a horrible negative role is playing in the context of public procurement in Bangladesh (ADB, 2012). In this respect, we should rethink the procedures of procurement process.

In Bangladesh, there are now the public procurement act, 2006 and public procurement rules, 2008 as necessary legal framework for transparent and accountable public procurement process. Now their proper implementation has to be accelerated. Our national record of implementing laws and rules is not so bright although we introduce them with much eagerness. This is also happening with PPA and PPR. Despite their existence for quite some time now, there is not much improvement with transparency and accountability situations in public procurement. In this context, many stakeholders of public procurement in the country have started thinking; why not introduce citizen

engagement (CE) as an approach to increase transparency and accountability in public procurement process. This study is a humble attempt to explore the possibilities of citizen engagement in public procurement with focus on municipal procurement arena.

Public procurement is the buying of goods and services, including consultancies and professional services, construction, maintenance and material supply contracts, facilities contracts, capital equipment and property and leasing arrangements on behalf of a public authority, such as a government agency. The procurement process spans the whole life cycle from the identification of need through to the end of a services contract or the end of the useful life of an asset. Public procurement is a powerful driver of development. The system of public procurement - the expenditure by public authorities and institutions on goods and services - is one of the most important channels of government spending. Governments spend public monies to secure inputs and resources to achieve their objectives and by doing so create significant impact on key stakeholders and wider society.

2.8 Reform Program in Public Procurement Sector

The public procurement is an important function of the Government. Almost 80% of the annual development program is spent by public procurement. Since the issuance of PPR 2003, the procurement process in our country had been in a disorganized framework having lack of standardized process and documents. The World Bank, first ever in 2001, assess the country procurement system and prepared country procurement assessment report (CPAR) that identified many deficiencies, including the following major problems in the country's procurement system (World Bank, 2002):

- a) Absence of sound legal framework governing public sector procurement.
- b) Complex bureaucratic procedure causing delay.
- c) Absence of planning
- d) Multiple layers in the approval and review process
- e) Lack of adequate professional competence of staff to manage public procurement.
- f) Generally poor quality bidding documents and bid evaluation
- g) Ineffective administration of contracts, and
- h) Absence of adequate mechanism for ensuring transparency and accountability.

With the above backdrop, the need for improving governance in procurement management area was felt. Then the first “Public Procurement Reform Project” with IDA assistance approved on 14 February 2002 clearly mentioned the implementation objectives as to contribute to improve performance of procurement through introduction of measures to make public procurement system compliant with internationally agreed norms of efficiency, transparency and accountability with the increase of procurement capacity through creation of a pool of national procurement professionals. Under this project ‘The Public Procurement Regulations 2003’ have prepared through a process of extensive consultation with all stakeholders, government ministries, divisions, departments, statutory bodies, development partners, applicants, suppliers, contractors, consultants and their associations and representatives of federation of chambers of commerce and industries. The regulations have passed through the various working groups comprising representatives both from private and public sectors, national workshops, the steering committee constituted by the government. The use of multiple procurement guidelines and procedures made it difficult for the procurement officer to process procurement cases timely and efficiently. To triumph over these difficulties government took major reform program in the field of public procurement under financial and technical supported by World Bank in 2002 (www.worldbank.org).

2.9 Private Sector Procurement in Bangladesh

In Bangladesh, private sectors including non-governmental organizations, non-state institutions, not for profit organizations, multinational companies, and United Nations under organizations have their own styles and procurement guidelines and manuals. Some practices their global sourcing policies with local standards. In most cases, these policies have different characteristics and criteria in comparison to the public procurement rules and acts in Bangladesh and with other parallel private organizations. Among these private organizations, some have standard policies to be followed for equal treatment, transparent and accountable, and quality procurement practices.

Chapter 3

Organization's Description: Bangladesh Betar & Grameenphone Limited

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3. Organization's Description: Bangladesh Betar and Grameenphone Limited

3.1 Introduction

Public and Private sector governance are interrelated with each other for harmonic development of a country. Procurement functions are played an important role for each organization. Through procurement process, an entity either public or private can enhance its productivity for business development or services delivery to the citizens.

In this thesis it is tried to encompass a comparative study between public and private entities in Bangladesh. To understand the status of procurement activities between public and private organizations, the researcher has attempted to focus Bangladesh Betar (Radio Bangladesh) and Grameenphone Limited. In the case of public, the researcher has selected Bangladesh Betar and for private, Grameenphone Limited has been selected.

3.2 Introduction to Bangladesh Betar

Bangladesh Betar or BB is the state-owned radio broadcasting organization of Bangladesh. It was also known as Radio Bangladesh between 1975 and 1996.



Figure 3.1: Official Logo of Bangladesh Betar

3.2.1 History of Bangladesh Betar

Radio transmission in the region now forming Bangladesh started in Dhaka on December 16, 1939. Initially, the station was located in old Dhaka. Later, the station was relocated to Shahbag. It played an important role during the Bangladesh Liberation War of 1971. On March 26, 1971, the broadcasting center of Radio Pakistan was used to transmit a declaration of independence. During the war, it was known as Swadhin Bangla Betar Kendra (Independent Bengal Radio Station). Because of heavy shelling, the station had to be relocated several times, and ultimately moved to Calcutta on May 25, from where it would broadcast until the end of the war. On December 6, it was renamed Bangladesh Betar (https://en.wikipedia.org/wiki/Bangladesh_Betar retrieved on 5th July 2015).

3.2.2 Organization of Bangladesh Betar

The Director General is headed in Bangladesh Betar. Bangladesh Betar is comprised of four wings, like- program wing, engineering wing, news wing, and administration and finance wing (www.betar.gov.bd).

3.2.2.1 Program Wing of Bangladesh Betar

Bangladesh Betar broadcasts its programs through 12 regional stations at Dhaka, Chittagong, Rajshahi, Khulna, Rangpur, Sylhet, Thakurgaon, Rangamati, Barisal, Cox'sBazar, Bandarban, and Comilla station. These regional stations produce programs in order to meet the requirements of the common audience nationally and locally. Program Wing of Bangladesh Betar is involved in policy making, strategic development and program planning in view of achieving national goals. It coordinates with the regional centers, units and other wings to improve the quality of programs.

3.2.2.2 Engineering Wing of Bangladesh Betar

Engineering Wing of Bangladesh Betar involves the studio end and the transmitter end as well as remote broadcasts. Every station has a number of radio engineers, though one may now serve an entire station as a head of station. The overall head of Engineering Wing is a Chief Engineer who controls, supervises and monitors all the aspects of engineering, transmission, and broadcasting activities in Bangladesh Betar.

3.2.2.3 News Wing of Bangladesh Betar

The news program can be dubbed as the essence of the broadcasting activities of Bangladesh Betar both in terms of public interest and public service. The hourly news program of Bangladesh Betar constitutes the most vibrant and lengthy live broadcast of radio with editors, reporters, correspondents, translators, monitors, computer operators viewing with each other in a hectic effort to be first in reaching out to the audience with latest happenings and information.

3.2.2.4 Administration and Finance Wing

The human resources of Bangladesh Betar include officials, staff artists and casual artists. The administrative requirements of all such employees are fulfilled by this wing in order to maintain a smooth management system. This wing is involved with the recruitment, posting, promotion and administrative activities. Total number of sanctioned post in Bangladesh Betar is 2750.

3.2.3 Official Establishment of Bangladesh Betar

Bangladesh Betar started its broadcasting in December 16, 1939. The then All India Radio had a broadcasting house in a rented house at Nazimuddin Road in Dhaka and a 5 KW AM transmitter at Kallyanpur, Dhaka. The then British Government used the broadcasting system to send information to their Armed forces. Afterward, in the sixties the then Broadcasting House was shifted to Shahbagh, Dhaka and a 100 KW AM transmitter was installed at Savar, a suburb near Dhaka. Later on 10 KW AM transmitter in each district—Chittagong, Rajshahi, Khulna, Rangpur, Sylhet have been established in different phases. This way Bangladesh Betar has enlarged its medium wave Radio Broadcast area coverage. During the historic “War of Independence” in 1971 Bangladesh Betar played a very significant role in mobilizing the common people of all walks of life towards a bloody war of independence which ultimately culminated into the emergence of a new sovereign country as ours. After the independence, Bangladesh established several Broadcasting Houses and Transmitters of different Medium Wave frequencies, allocated by the International Frequency Registration Board (IFRB) and by this way Bangladesh Betar has been able to have coverage of the whole country. Moreover, Bangladesh has established a Shortwave Transmitter to extend its external coverage. The major Program based functionalities have been shifted to the National Broadcasting house, Agargaon, Dhaka on 30th July, 1983. Now Shahbagh is used as the Headquarter of Bangladesh Betar. It is named as Old Broadcasting House and it has Broadcasting House of Commercial Service and Transcription Service in the same campus. In 1996 Bangladesh Betar established a 6-storied Administrative Building at Agargaon, Dhaka in the capital where several units of Bangladesh Betar have been shifted from different rented houses.

3.2.4 Present Broadcasting Status of Bangladesh Betar

As a very powerful electronic mass communication media, radio has enormous responsibilities for the country. Information dissemination, educational expansion, inspiration for participation in the development activities and entertainment – these are the main objectives of our program broadcasting. Keeping in mind these four main objectives; this media is being used to motivate the people for the socio-economic development of the country. For this purpose, Bangladesh Betar broadcasts different programs on entertainments, education, information and development of the country. Moreover, Bangladesh Betar broadcasts programs on poverty alleviation, population

control and family planning, women development, adult education, rural development, culture and heritage etc. Another importance of Bangladesh Betar is that it broadcasts external news and programs, weather broadcast, special forecasting on natural calamities and disaster. At Present twelve local stations of Bangladesh Betar broadcast different programs for agricultural production, education and culture and heritage of their respective areas. Bangladesh Betar has 13 broadcasting houses, 15 AM transmitters, and 3 shortwave transmitters by which it broadcast different national programs.

3.2.5 Introduction to FM Broadcasting

There have been revolutionary changes in the fields of broadcasting and electronics in the last few decades. As a result many developed and developing countries have modernized their broadcast and studio equipment by modern, solid state and digital equipment. They have added FM technology in their present broadcast system. On the contrary, since the activity of Bangladesh Betar depends solely on AM system, distortion on radio broadcast system is increasing due to manmade vehicles, machineries, electrical radiation, interference etc with increasing population in the city area. As a result FM broadcasting becomes essential for clear and noise free radio reception in very highly populated cities. To ensure clear and noise free reception for audiences, it is realized that Bangladesh Betar must be modernized with FM broadcasting. And Bangladesh Betar has completed the first phase of FM broadcasting project before two years.

3.2.6 Procurement Activities in Bangladesh Betar

Bangladesh Betar is a public entity which is bound to follow the government framed rules and regulations in Bangladesh. In this regard, the organization accordingly follows the public procurement act, 2006 and subsequently public procurement rules, 2008 enacted the government of Bangladesh. Centrally maintenance section of Bangladesh Betar Headquarter based in Agargaon, Dhaka is responsible to procure all goods, works, and services with demand of different stations and units of the organization under government revenue budget allocation. Besides, there are available some development projects under technical services that also procure their needs under development budget. In addition to these, a small budget is disbursed to individual stations to dispose procurement activities on an emergent basis in a small scale. The procured items are usually, electrical goods and maintenance, civil maintenances, and radio transmitters, studio and associated equipment.

3.3 Introduction to Grameenphone Limited

Grameenphone the leading telecommunications operator of Bangladesh is part of Telenor Group which has presence in 13 markets across Europe and Asia. Before Grameenphone's inception, the phone was for a selected urbanized few. The cell phone was a luxury: a flouting accessory for the select elite. The mass could not contemplate mobile telephony as being part of their lives (www.grameenphone.com).

3.3.1 Grameenphone: Its Starting in Bangladesh



Figure 3.2: Official Logo of Grameenphone Limited

Grameenphone started its journey with the Village Phone program- a pioneering initiative to empower rural women of Bangladesh. The name Grameenphone translates to “Rural phone”. Starting its operations on March 26, 1997, the independence day of Bangladesh, Grameenphone was the first operator to introduce GSM Technology in this country. Grameenphone pioneered the then breakthrough initiative of mobile to mobile telephony and became the first operator to cover 99% of the country's people with network. Since its inception Grameenphone has built the largest cellular network in the country with over 8500 base stations. Presently, nearly 99% of the country's population is within the coverage area of the Grameenphone network. Grameenphone has always been a pioneer in introducing new products and services in the local telecom market.

3.3.2 The Brand of Grameenphone

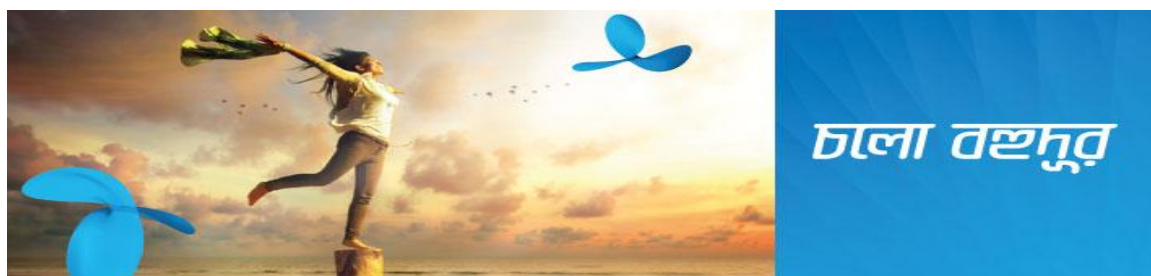


Figure 3.3: The Brand of Grameenphone Limited

The right and contemporary use of technology is the key to the progress of a nation. Keeping this in mind, Grameenphone always brings the future proof technology in order to facilitate your progress. The possibilities in this new world are immense and someone as bright as you should not be behind in anyway. At the end of the day, all the individual progresses accumulate to the progress of the beloved motherland. Grameenphone promises you to bring the best of communication technologies so that you can Go Beyond.

3.3.3 Mission of Grameenphone Limited

We are here to help our customers

We exist to help our customers get the full benefit of being connected. Our success is measured by how passionately they promote us.

3.3.4 Vision of Grameenphone Limited

Empower societies

We provide the power of digital communication, enabling everyone to improve their lives, build societies and secure a better future for all.

3.3.5 Values of Grameenphone Limited

Make it Easy: Everything we produce should be easy to understand and use. We should always remember that we try to make customers' lives easier.

Keep Promises: Everything we do should work perfectly. If it doesn't, we're there to put things right. We're about delivery, not over-promising. We're about actions, not words.

Be Inspiring: We're creative. We bring energy and imagination to our work. Everything we produce should look fresh and modern.

Be Respectful: We acknowledge and respect local cultures. We want to be a part of local communities wherever we operate. We want to help customers with their specific needs in a way that suits way of their life best retrieved from Annual Report 2014 Grameenphone Limited, 2014.

3.3.6 Brand promise of Grameenphone Limited

Go Beyond

3.3.7 Services and Products of Grameenphone

Grameenphone was also the first telecommunication operator in Bangladesh to introduce the pre-paid service in September 1999. It established the first 24-hour Call Center, introduced value-added services such as VMS, SMS, fax and data transmission services, international roaming service, WAP, SMS-based push-pull services, EDGE, personal ring back tone and many other products and services. In October 2013 the company launched 3G services commercially. The entire Grameenphone network is 3G/EDGE/GPRS enabled, allowing access to high-speed Internet and data services from anywhere within the coverage area. There are currently over 7 million 3G/EDGE/GPRS users in the Grameenphone network. Today, Grameenphone is the leading and largest telecommunications service provider in Bangladesh with more than 50 million subscribers as of October 14, 2014.

3.3.8 Ownership Structure of Grameenphone

The shareholders of Grameenphone contribute their unique, in-depth experience in both telecommunications and development. It is a joint venture enterprise between Telenor (55.8%), the largest telecommunications service provider in Norway with mobile phone operations in 12 other countries, and Grameen Telecom Corporation (34.2%), a non-profit organization of Bangladesh. The other 10% shares belong to general retail and institutional investors.

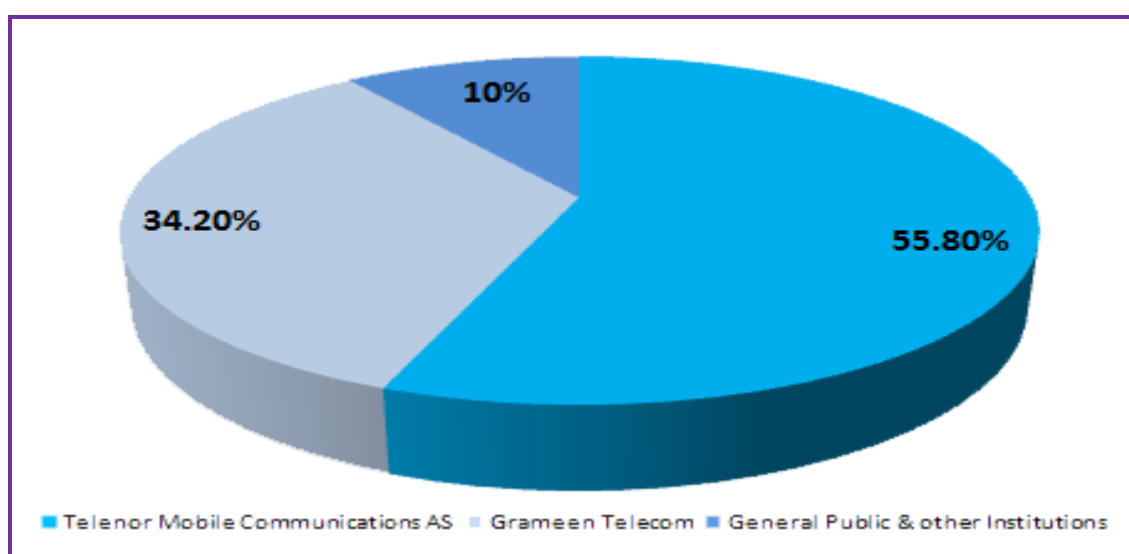


Figure 3.4: Ownership Structure of Grameenphone Limited

The technological know-how and managerial expertise of Telenor has been instrumental in setting up such an international standard mobile phone operation in Bangladesh. Being one of the pioneers in developing the GSM service in Europe, Telenor has also helped to transfer this knowledge to the local employees over the years. The international shareholder brings technological and business management expertise while the local shareholder provides a presence throughout Bangladesh and a deep understanding of its economy. Both are dedicated to Bangladesh and its struggle for economic progress and have a deep commitment to Grameenphone and its mission to provide affordable telephony to the entire population of Bangladesh.

3.3.8.1 Telenor Group

Telenor is emerging as one of the fastest growing providers of mobile communications services worldwide with ownership interests in 12 mobile operators across Europe and Asia. Telenor is organized into three business areas; mobile operations covering 12 countries, and fixed-line and broadcast services covering the Nordic region. Telenor holds 55.8 per cent of Grameenphone, with Grameen Telecom Corporation owning the remaining 34.2 per cent. The rest of the shares belong to general retail and institutional investors.

3.3.8.2 Grameen Telecom

Grameen Telecom, which owns 34.20% of the shares of Grameenphone, is a not-for-profit company in Bangladesh established by Professor Muhammad Yunus, winner of the Nobel Peace Prize 2006. GTC's mandate is to provide easy access to GSM cellular services in rural Bangladesh and create new opportunities for income generation through self-employment by providing villagers, mostly to the poor rural women with access to modern information and communication-based technologies. Grameen Telecom, with its field network, administers the Village Phone Program, through which Grameenphone provides its services to the fast growing rural customers, Grameen Telecom trains the operators and handles all service-related issues. GTC has been acclaimed for the innovative village phone program. GTC & its Chairman Nobel Peace prize laureate Professor Muhammad Yunus have received several awards which include; First ITU World information Society Award in 2005; Petersburg Prize for Use of the IT to improve Poor People's Lives in 2004; GSM Association Award for 'GSM in Community Service' in 2000.

3.3.9 Corporate Governance of Grameenphone

In the fast-paced world of telecommunications, vibrant and dynamic corporate governance practices are an essential ingredient to success. Grameenphone believes in the continued improvement of corporate governance. This in turn has led the company to commit considerable resources and implement internationally accepted corporate standards in its day-to-day operations.

Being a public limited company, the Board of Directors of Grameenphone have a pivotal role to play in meeting all stakeholders' interests. The board of directors and the management team of Grameenphone are committed to maintaining effective corporate governance through a culture of accountability, transparency, well-understood policies and procedures. The board of directors and the management team also persevere to maintain compliance of all laws of Bangladesh and all internally documented regulations, policies and procedures. Grameenphone is a truly transparent company that operates at the highest levels of integrity and accountability on a global standard.

3.3.10 Supplier Conduct of Grameenphone Limited

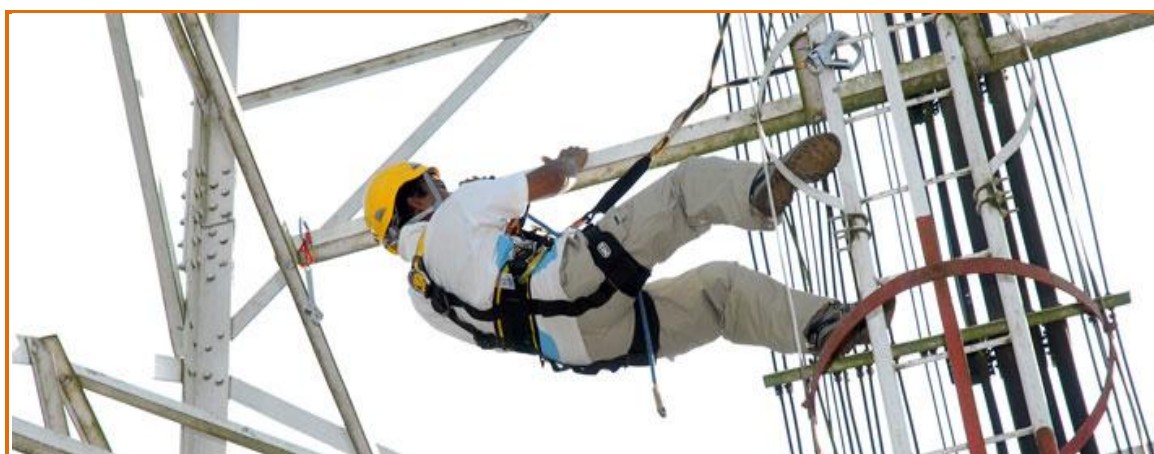


Figure 3.5: Supplier Conduct of Grameenphone Limited

The Supplier Conduct Principles (SCP) have been approved by Telenor's board of directors and is a document that defines what Telenor, or Telenor-affiliated companies such as Grameenphone, expect from its business partners. The SCP attached specifies conduct requirements to our business partners, in this case suppliers. It should be noted that suppliers in this context is a much wider term than the traditional upstream suppliers typical in a procurement setting. Suppliers, in the context of the SCP, are defined as any

person and or entity that have a direct contractual relationship with Telenor and offering products and or services to Telenor. This includes any manufacturer, vendor, contractor, consultant, middleman, service or facilities provider, dealer, distributor or other partner that is directly cooperating with Telenor, however, excluding customers.

3.3.11 Corporate Responsibility in Grameenphone Limited



Figure 3.6: Corporate Responsibility in Grameenphone Limited

Corporate Responsibility is manifested through the implementation of our vision and values in all spheres of the company and its value chain. At Grameenphone Limited, we live by the saying development is a journey is not a destination. Our work is not just about ensuring connectivity; it is about connecting with people and building a relationship based on trust with our subscribers, business partners, employees, shareholders as well as the wider community. We have always believed that good development is good business. While we maintain our business focus, taking the nation forward remains our top priority. Thus our relationship with Bangladesh is built on a partnership which strives to achieve common economic and social goals.

At Grameenphone Corporate Responsibility (CR) is a complementary combination of responsible business practices and corporate behavior and externally focused initiatives to create shared value for the society and the company. As such, corporate responsibility can be said to span the whole of an organization's business activities.

3.3.12 Procurement Process in Grameenphone Limited

Grameenphone Limited is a concern and a partial share of Telenor Group based in Norway in emphasized on telecommunication industries many parts of the globe. The strategy and technology are imported from the global Telenor Group with the fullest level implications. In procurement and sourcing, Grameenphone Limited follows the documents in the below:

- Group Manuals:**
1. Global Sourcing Groups
 2. Requirements for Local Sourcing

Other Telenor Governing Documents:

1. Code of Conduct
2. Group Reporting Matrix
3. Local Reporting Matrix
4. Local Policy Delegation of Authority
5. Group Governance Principles
6. Local Policy Corporate Responsibility
7. Local Policy for Supply Chain Sustainability
8. Local Policy for Anti-Corruption

Chapter 4

Literature Review, Conceptual and Analytical Framework

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4. Literature Review, Conceptual and Analytical Framework

4.1 Procurement: Its Meaning and Concepts

Procurement means the purchasing or hiring of goods or acquisition of goods through purchasing and hiring, and the execution of works and performance of services by any contractual means (The PPA, 2006).

Procurement is the acquisition of goods, services or works from an outside external source. It is favorable that the goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location (Weele, Arjan J. Van, 2010). Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion.

According to Association of Project Management¹² (APM), UK, procurement is the process by which the resources (goods and services) required by a project are acquired. It includes development of the procurement strategy, preparation of contracts, selection and acquisition of suppliers, and management of the contracts.

4.2 Key Stages of Procurement Process

Basically the procurement process is associated with three key stages; these are pre-procurement, tender process and contract award, and contract and suppliers management. With the functioning of these stages in practice a procurement process may fulfill its cycle.



Figure 4.1: Key Stages of Procurement Process

¹² The UK based award-winning Association for Project Management (APM) is committed to developing and promoting project and program management through its FIVE Dimensions of Professionalism. There are a number of ways in which you can benefit from what we do, including membership, qualifications, events, publications, and online services.

4.3 Procurement versus Acquisition

The US Defense Acquisition University (DAU)¹³ defines procurement as the act of buying goods and services for the government (DAU, 2009). DAU defines acquisition as the conceptualization, initiation, design, development, test, contracting, production, deployment, Logistics Support, modification, and disposal of weapons and other systems, supplies, or services including construction to satisfy department of defense needs, intended for use in or in support of military missions. Acquisition is therefore a much wider concept than procurement, covering the whole life cycle of acquired systems.

4.3.1 Acquisition Process

The revised acquisition process for major systems in industry and defense is shown in the next figure. The process is defined by a series of phases during which technology is defined and matured into viable concepts, which are subsequently developed and readied for production, after which the systems produced are supported in the field (DAU Press, 2001).

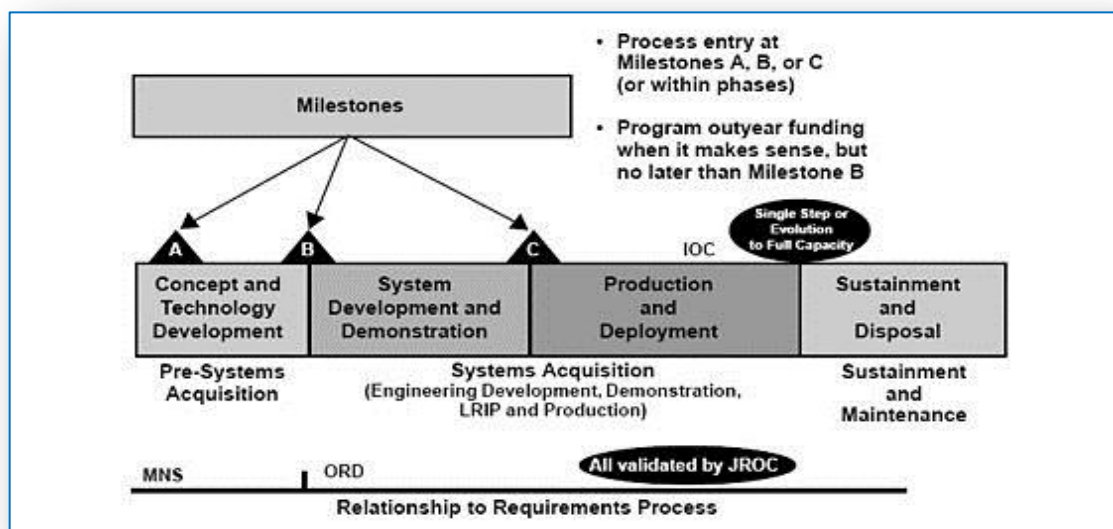


Figure 4.2: Model of the Acquisition Process

¹³ Defense Acquisition University (DAU), USA is a best-in-class corporate university for the Defense Acquisition Workforce. In DAU, the acquisition professional — from formal courses and continuous learning modules to knowledge sharing assets and consulting. All of learning assets are meant to help developing and managing acquisition programs, projects, and systems that continue to make nation's war fighters the best-equipped armed forces in the world.

The process allows for a given system to enter the process at any of the development phases. For example, a system using unproven technology would enter at the beginning stages of the process and would proceed through a lengthy period of technology maturation, while a system based on mature and proven technologies might enter directly into engineering development or, conceivably, even production. The process itself includes four phases of development.

Concept and technology development is intended to explore alternative concepts based on assessments of operational needs, technology readiness, risk, and affordability. Concept and technology development phase begins with concept exploration. During this stage, concept studies are undertaken to define alternative concepts and to provide information about capability and risk that would permit an objective comparison of competing concepts.

System development and demonstration phase. This phase could be entered directly as a result of a technological opportunity and urgent user need, as well as having come through concept and technology development. The last and longest phase is the sustainable and disposal phase of the program. During this phase all necessary activities are accomplished to maintain and sustain the system in the field in the most cost-effective manner possible.

4.4 The Procurement Supply Chain

The procurement processes are discussed in the Table.4.1.

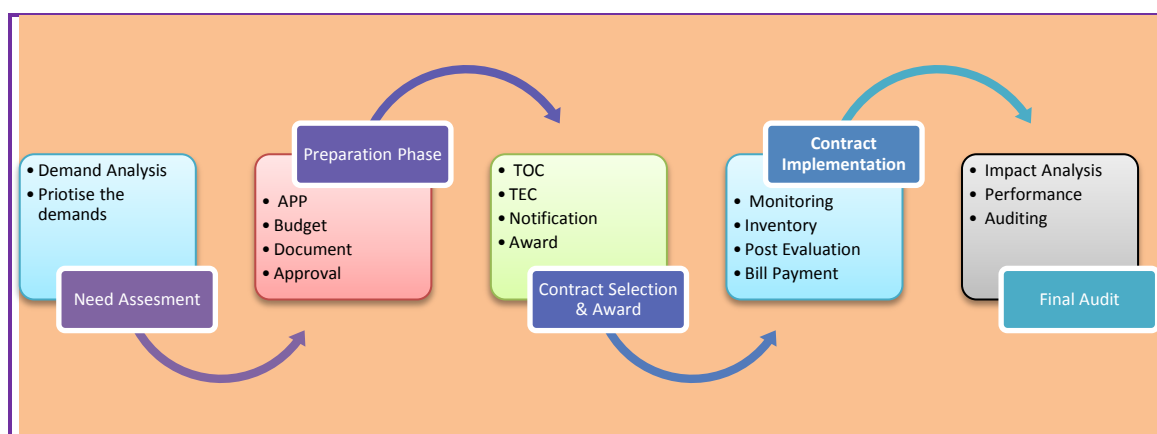


Figure 4.3: The Procurement Process Supply Chain Chart

Table 4.1: The Procurement Process Stages for Practical Implications

Stages of Procurement	What does it function?
Needs Assessment	The investment or purchase is necessary. Demand is to be justified so that organizations can perform in a good deal to procure goods and services to bring the value to the society. Goods or services that are needed are to be identified for a sustainable procurement.
Preparation Phase	Bidding documents or terms of reference are designed such a way to treat equally for a number of providers so that in fact, competition would be widespread.
Contract Selection & Award	Qualified decision makers are free from biased to select proper contracts and hence demanded products are being procured. Selection criteria and award making can dispose a procurement process to the way of specified items.
Contract Implementation	Winning bidders or contractors implement procurement with the terms and conditions of the contracts. It is possible only when two parties perform their joint monitoring and supervision.
Final Audit	Accountants perform their final accounts and auditors do minutely auditing tasks in physical, administrative and financial aspects to provide final certificates regarding disposal of procurement.

4.5 Public Procurement

Public Procurement is defined as procurement using public funds where procurement means the purchasing or hiring of goods, or acquisition of goods through purchasing and hiring, and the execution of works and performance of services by any contractual means (OECD, 2002). Public fund is defined as any funds allocated to a procuring entity under government budget, or loan, grants and credits placed at the disposal of a procuring entity through the government by the development partners or foreign states or organizations (Auriol, 2004).

Public procurement is one of the important tasks of government in which government expenditure would be spent properly for the uplifting of common people. However, lack of transparency and accountability, government fund may fall in worthless activities. Due to this, the Organization for Economic Co-Operation and Development (OECD) defined the public procurement as a Critical Economic Activity of government. Transparency International said public procurement affects all the spheres of people's lives and presumes a major portion of government budget. According to National Institute of Governmental Purchasing (NIGP), USA transparency can be defined as timely, easily understood access to information. Transparency assists in ensuring that any deviations from fair and equal treatment are detected very early, and makes such deviations less likely to occur. It protects the integrity of the process and the interest of the organization, stakeholders, and the public.

4.6 Public Procurement Principles

In general, government procurement is essentially based on the following principles:

Public Accountability Procurement should obviously reflect public accountability entrusted with the Government.

Transparency All procurement regulations, conditions, procedures and processes need to be clear and transparent to facilitate better understanding among suppliers and contractors.

Value for Money Government procurement should yield the best returns for every penny spent in terms of quality, quantity, timeliness, price and source.

Open And Fair Competition Processes involving government procurement should offer fair and equitable opportunities to all those participating or competing in any procurement.

Fair Dealing All acceptable bids will be processed fairly based on current rules, policies and procedures.

Non-discrimination Equal treatment is to apply to all bidders.

4.7 Transparency in Public Procurement

Public procurement is the buying of goods and services on behalf of a public authority, such as a government agency. Governments spend public monies to secure inputs and resources to achieve their objectives and by doing so, create significant impact on key stakeholders and wider society. In addition, government purchasing impacts both

domestic and international trade given that governments spend approximately 10 to 15 percent of their GDP in the procurement marketplace. Hence, public procurement plays a significant role in the global economy.

In public procurement the goals of fairness, competition and economic value are paramount. To achieve these goals, effective and efficient procurement processes must be established. This includes incorporating adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds. In this context, transparency is considered to be one of the most effective tools to deter corruption and ensure value for money. Transparency in procurement takes form in a variety of practices, such as: publishing procurement policies; advance publication of procurement plans; advertisement of tender notices; disclosure of evaluation criteria in solicitation documents; publication of contract awards and prices paid; establishing appropriate and timely dispute mechanisms; implementing financial and conflict of interest disclosure requirements for public procurement officials; and publishing supplier sanction lists.

Transparency is a core principle of high-quality public procurement. Transparency supports the wise use of limited development funds, from planning investments in advance to measuring the results. An open and transparent procurement process improves competition, ensures value for money, increases efficiency and reduces the threat of unfairness or corruption. Transparency is considered as one of the most effective deterrents to corruption and precondition for ensuring public officials' accountability. Transparency allows the public the widest possible access to documents that enables citizens and businesses scrutinize how the powers vested in public procurement officials exercise their authority.

Professor Sue Arrowsmith in her book, *Regulating Public Procurement, National and International Perspectives* states that public procurement's main objective should be achieving the best value for money in procurement process. This means to successfully acquire the goods, works or services by the government on the best available terms. It involves ensuring that the goods or services acquired are suitable for the requirements and that a contract is concluded at the best possible terms. This means that it is not necessarily the firm offering the lowest price, but the total life cycle of a product such as

price, running costs and quality. The book is therefore critical to my essay especially on enhancing accountability in public sector procurement which is the study area in my work. Over and above these principles integrity in administration of the entire process should be taken into consideration. Professor Sue Arrowsmith further in her book, *The Law of Public Utilities Procurement* indicates that the application of competition rules depend on the activity to which the particular purchase relates. This applies to purchasing that is made in connection with offering goods and services as part of an economic activity. Public procurement in general is an economic activity since it involves commercial transactions.

4.8 Procurement Monitoring by Citizens: It's Effectiveness

According to the International Budget Partnership, developing countries spend \$820 billion a year on procurement-related transactions. These expenditures are critical for the delivery of goods and services but they are also extremely vulnerable to corruption. Transparency International estimates that \$400 Billion is lost to bribery and corruption in public procurement internationally (TIB, 2006). Procurement monitoring is an emerging area, where citizens' involvement has been experimented to address the impending waste and corruption in public procurement. The procurement process typically consists of identifying what is needed; determining who the best person or organization to supply this need is; and ensuring what is needed is delivered to the right place at the right time and for the best price and quality. Some loop holes that offer room for manipulation and fraud in procurement consist of:

- 1. Planning stage:** Absence of clear criteria for project selection; stimulating demand for personal benefits; short cutting bidding process by misrepresenting urgency
- 2. Preparation Stage:** Weak technical specifications leading to favored bidders; lack of public participation in project design or bidding specifications, tailor fitting favored bidders
- 3. Advertisement Stage:** Limited or insufficient advertising; published in paper with limited circulation
- 4. Pre-qualifications:** Bias requirement to a favored bidder or contractor, lengthy process leading to opportunities for bribe solicitation, contract sharing among the bribing companies

4.9 Private Procurement

The procurement is performed at a private sector, or a non-state sector organization is referred as private procurement. Private sector organizations understand that conducting a competitive process generally results in the best value being realized, and therefore private sector procurement policies often require it; there are no legislative requirements for private sector to conduct competitive procurement processes. Once a decision to use a competitive process is made, however, the same duties of transparency, fairness and competitive contracting law apply as in the public sector. It is crucial that private sector staff understand these obligations and the associated risks when embarking on a competitive process.

4.10 Public Procurement: Marked Differences from Private Procurement

In both public and private sector procurement goods and services have to be acquired, and in both there are good reasons to strive for the best deal in obtaining the required goods and services. However, despite these similarities, it is well accepted that public procurement is quite different from procurement in the private sector (Erridge, 1996; Thai, 2001; Thai *et al.*, 2004).

The approach to analyzing these differences itself differs across various publications. A number of papers consider how the execution of procurement is influenced differently in the public and private sector. Covington (2006) addresses the differences in attitudes of the players in public and private sector procurement. Wang and Bunn (2004) focus on the buyer–seller relationships that differ through the rules and procedures enforced upon the public sector.

Other papers analyze the reasons behind the differences between public and private sector procurement. On the first pages of the ITC (International Trade Center) public procurement training manual the ‘Value in public procurement’ is listed as being different from private sector procurement in terms of accountability, responsiveness, professionalism, transparency, competition and appeal rights. Gordon Murray analyses local government procurement, and lists a number differences with regard to both objectives and more operational issues.

When comparing public and private sector procurement it appears that the demands on public procurement are greater and more highly varied than those on private sector procurement (Neill and Batchelor, 1999). PIA -the Dutch government procurement organization estimates that 80 per cent of public procurement is largely similar to that in the private sector (Leyenaar, 2004); consequently approximately 20 per cent of public procurement is different because of different demands (Murray, 1999).

4.11 Difference between Public and Private Procurement

However there are several key dimensions for private and public agencies in regard of procurement. The remarkable distinction on procurement professionals working in public and private enterprise are as follows:

Table 4.2: Issues for Difference between Public and Private Procurement

Issues	Description
Agility	Procurement professionals working in the private sector often must be more agile and able to respond to change quickly
A focus on the bottom line	As private enterprises focus on generating profit, procurement professionals often are constrained by meeting cost reduction targets
Numbers of Stakeholders	Public sector procurement professionals have a larger group of stakeholders to report to including tax payers, members of parliament, clients and vendors
Bureaucracy	Working for a government organization or public enterprise entails dealing with an increased level of red tape or rules which must be adhered to in order to complete a task. As they are acting on behalf of the government they must be seen to be acting ethically

4.12 Good Governance: It's Concept

The concept of good governance is a concern of aid agencies, governments, researchers, and academics in developing countries like Bangladesh (Miazi and Islam, 2012). It connects several disciplines such as politics, economics, public administration, law and so on. Good governance is now understood to include a wide range of ways in which the whole structure of a society affects the access of its members to basic opportunities and capabilities. Bangladesh faces virus of poor or mal-governance which affects almost every aspect of public life.

Good governance means the manner in which power is exercised in the management of a country's economic and social resource for the development in an efficient and

transparent way. In the recent times particularly from the second half of 1980s, the issue of good governance has emerged at the forefront of global agenda for development. Quality of governance is being considered as the principal prerequisite for solving many problems and for the socio-economic development in the developing countries (Wohlmuth, 1999). That's why several international organizations like World Bank, UNDP, IMF and a good number of NGOs have started emphasizing good governance as a precondition of delivery of their services and funds.

Good governance is epitomized by predictable, open and enlightened policy making; a bureaucracy imbued with professional ethos; an executive arm of the government accountable for its action; and a strong civil society participating in the public affairs; and all behaving under rule of law (World Bank Report, 1993). Good governance involves the self-organizing and inter-organizational networks characterized by interdependence, resource-exchange, rules of the game and significant autonomy from the state (Rhodes, R. A. W, 1997). Good governance means the effective management of a country's social and economic resource in a manner that is open, transparent, accountable, and equitable (Bilney, 1994). In October 1995, in a policy paper called "Governance: Sound Development Management" The Asian Development Bank (ADB) outlined on the paper that Good Governance is defined as the manner in which power is exercised in the management of a country's economic and social resources for development. In a draft policy paper, in April 1999, The African Development Bank (AfDB) defines governance as a process referring to the way in which power is exercised in the management affairs of a nation.

The United Nations Development Program's definition of good governance is set out in a 1997 UNDP policy document entitled "Governance for Sustainable Human Development". The document states that governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels.

4.13 Parameters of Good Governance

Good governance has a number of political, economic and social parameters through which the state of governance of a country can be diagnosed. Different international organizations and good governance theorists have identified different criteria of good

governance from different angles. Dhiraj Kumar Nath has identified eight major parameters of good governance which has been depicted in the following diagram (Nath, Dhiraj Kumar, 2004).



Figure 4.4: Eight Elements of Good Governance

In Figure 4.4, it explains that good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. Good governance is responsive to the present and future needs of the organization, exercises prudence in policy-setting and decision-making, and that the best interests of all stakeholders are taken into account.

Table 4.3: Parameters of Good Governance

Parameters	Meanings and Definitions
1. Rule of Law	Good governance requires fair legal frameworks that are enforced by an impartial regulatory body, for the full protection of stakeholders.
2. Transparency	Transparency means that information should be provided in easily understandable forms and media; that it should be freely available and directly accessible to those who will be affected by governance policies and practices, as well as the outcomes resulting there from; and that any decisions taken and their enforcement are in compliance with established rules and regulations.
3. Responsiveness	Good governance requires that organizations and their processes are designed to serve the best interests of stakeholders within a reasonable timeframe.
4. Consensus Oriented	Good governance requires consultation to understand the different interests of stakeholders in order to reach a broad consensus of what is in the best interest of the entire stakeholder group and how this can be achieved in a sustainable and prudent manner.
5. Equity & Inclusiveness	The organization that provides the opportunity for its stakeholders to maintain, enhance, or generally improve their well-being provides the most compelling message regarding its reason for existence and value to society.
6. Effectiveness & Efficiency	Good governance means that the processes implemented by the organization to produce favorable results meet the needs of its stakeholders, while making the best use of resources – human, technological, financial, natural and environmental – at its disposal.
7. Accountability	Accountability is a key tenet of good governance. Who is accountable for what should be documented in policy statements. In general, an organization is accountable to those who will be affected by its decisions or actions as well

	as the applicable rules of law.
8. Participation	Participation by both men and women, either directly or through legitimate representatives, is a key cornerstone of good governance. Participation needs to be informed and organized, including freedom of expression and assiduous concern for the best interests of the organization and society in general.

4.14 Good Governance in Procurement

Good governance is an ideal which is difficult to achieve in its totality. Governance typically involves well-intentioned people who bring their ideas, experiences, preferences and other human strengths and shortcomings to the policy-making table. Good governance is achieved through an on-going discourse that attempts to capture all of the considerations involved in assuring that stakeholder interests are addressed and reflected in policy initiatives (www.governancepro.com).

In Public Procurement, a number of issues need to engage in procurement process to ensure good governance – civil society, stakeholder committee, media, observers from Think Tanks etc. It would require the appropriate implementation of rules and regulations to optimize public money, in precise value for money. The international organizations already have prompted manuals to bring good governance in public procurement. In Bangladesh, CPTU has been carrying out different awareness raising activities on public procurement under the Public Procurement Reform Project-II supported by the World Bank.

In Private Sector Procurement, ensuring good governance, it needs the skilled procurement personnel with customized procurement guidelines. They can also maintain participation of all stakeholders along with public agencies to ensure good governance in procurement process. A lot of initiatives are developed to eradicate corruption in procurement activities to save money.

4.15 Capability and Procurement Capability Reviews

The OGC Procurement Capability Reviews (PCRs) are designed to assess how far procurement in central government meets the demanding standards required to deliver government policy and achieve value for money now and in the future. They assess how far government procurement in each department meets the demanding standards required to achieve value for money now and in the future. The outcomes from the reviews will drive improvements in procurement capability where the greatest impact can be achieved. PCRs are intended to provide an overall assessment of departmental performance in procurement, based on the underpinning PCR assessment model, which aims to assess against world class procurement standards and practice. The Procurement Policy and Standards framework feeds into and is aligned with the PCR Assessment Model. The model guides the reviewers when they assess the capability of each department and supports the key requirements contained in the Policy and Standards framework. The PCR model is based on three key areas of capability, and nine more specific indicators; it is structured as follows:

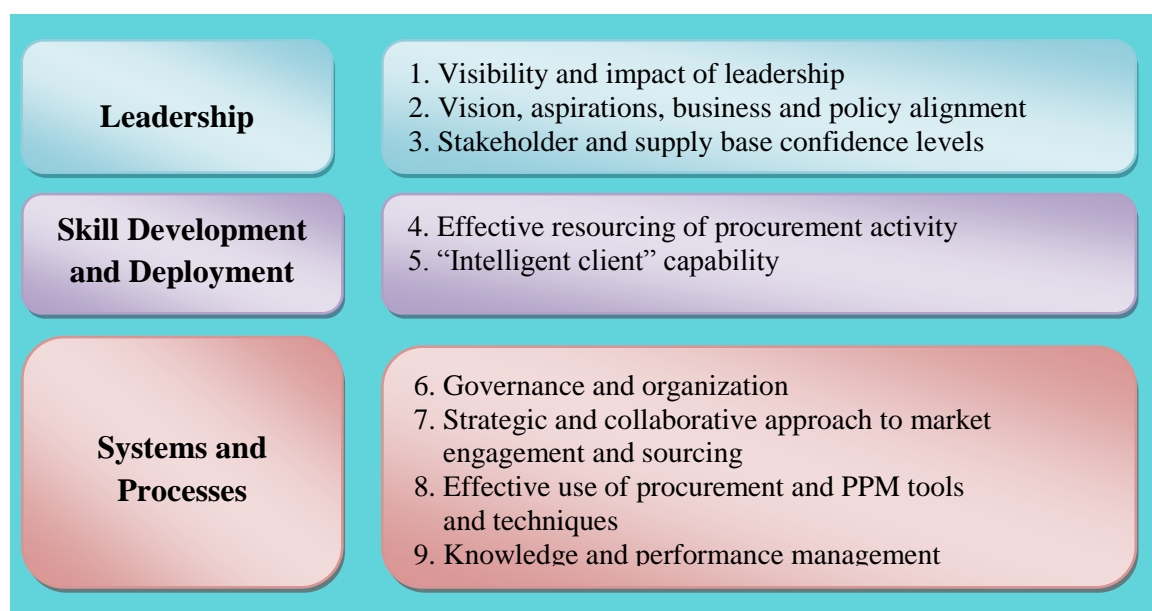


Figure 4.5: Policy, Standards, Framework and the PCR Assessment Model.

4.16 The Role of Public Sector

The Public Sector is governed by a set of governmental system developed by ruling party in any country in a democratic process. The government, and yet the public entities have ensure the security of the citizens and border of the country. At the same it also has to prevail social justice in the country, and to facilitate such a congenial environment

through which the second sector, the private business group can make profit of which some portion goes to the government revenue as Tax, Customs and Excise Duty, and Value Added Tax (VAT). In this process, the public sector can strengthen its productivity, services to the citizens that ultimately boost up the national development. The goal of public sector is not profit maximization as in the case of private sector.

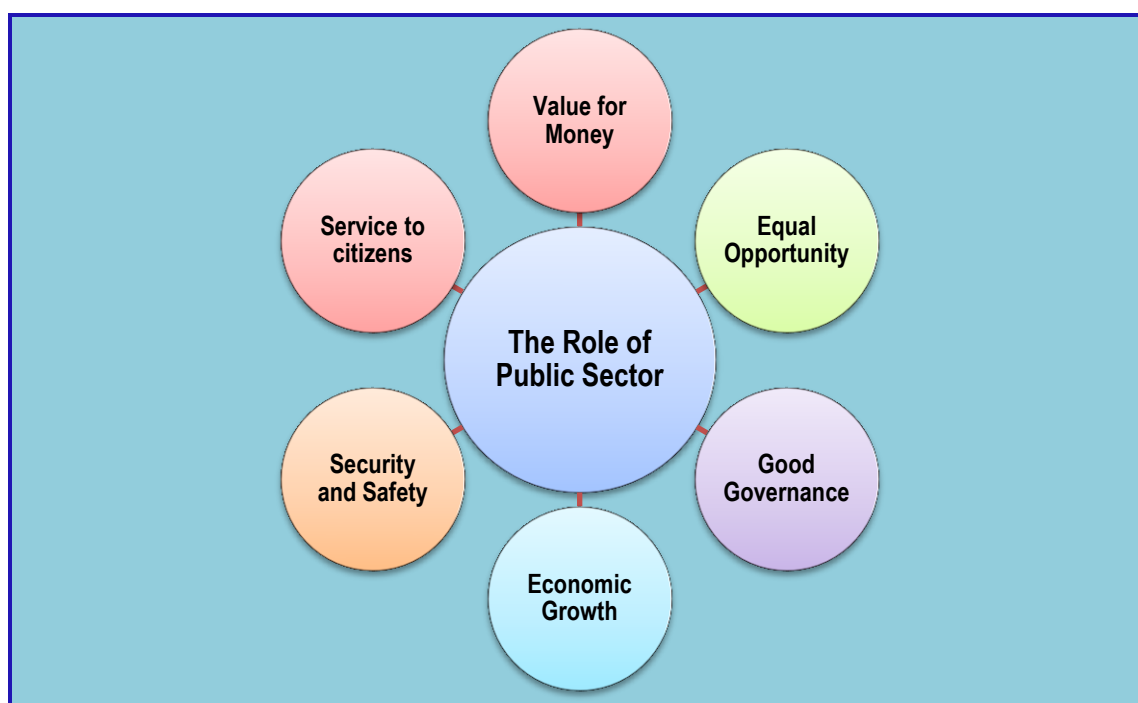


Figure 4.6: The Key Pillars of the Role of Public Sector

(Source: OECD; <http://www.oecd.org>)

4.17 The Role of Private Sector

The part of the economy that is not state controlled, and is run by individuals and companies for profit. The private sector encompasses all for-profit businesses that are not owned or operated by the government.

4.17.1 Definition of Private Sector

Companies and corporations that are government run are part of what is known as the public sector, while charities and other nonprofit organizations are part of the voluntary sector.

4.17.2 INVESTOPEDIA Explains Private Sector

In most free-market economies, the private sector is the sector where most jobs are held. This differs from countries where the government exerts considerable power over the economy, like in the People's Republic of China. The Bureau of Labor Statistics tracks and reports both private and public unemployment rates for the U.S (<http://www.investopedia.com>).

4.17.3 UNDP Statement

Private sector plays an important role as an engine of economic growth and job creation in developing countries. It provides goods and services, generates tax revenues to finance essential social and economic infrastructure, develops new and innovative solutions that help tackle development challenges and it is a central actor in addressing climate change. As such, the private sector is an important strategic partner for UNDP in achieving its vision to help countries eradicate poverty and reduce inequalities and exclusion within broader sustainable development (<http://www.undp.org>).

4.18 The Role of Public Sector for Quality Procurement

The public sector has substantial roles to develop a nation through citizen services delivery. For procurement process, it has also a great role to build up a sustainable public procurement system in a country. In the government budget in each fiscal year, huge money would be involved for procuring goods, services, and works by different public agencies. Through public procurement a nation improve and establish infrastructures that promote business groups to make profit and productivity. And ultimately, the country may lead its income by accumulating taxes. Abiding by the rules and guidelines of procurement framed by the government, public sectors and attached agencies can establish quality procurement system in the country. Along with the legal framework, public agencies need to be dedicated, patriotic, and to engage civil society and different communities in procurement process to have a quality procurement structure.

4.19 The Goal of Private Sector in Quality Procurement

An active engagement of the private sector is critical for the much needed acceleration in the progress for the achievement of the millennium development goals (MDGs) and other internationally agreed development commitments. Through its core business

activities, inclusive market practices and above all on-going corporate social responsibility activities, the private sector has proved its pivotal role in ensuring sustainable development and contributing to job creation, growth and expanded access to products and services. It is in this context, the Government of Turkey and the United Nations Development Program agreed to establish the Istanbul International Center for Private Sector in Development.

Unlike in the public sector, where the emphasis is on providing effective and efficient services to the public, private sector procurement focuses primarily on profitability. Bottom-line analysis is generally the determining factor when procurement and contracting decisions are made.

4.20 Quality: Improving Human Life

To improve human life and lifestyle, quality products, processes should be ensured. The International Organization for Standardization (ISO) introduces the eight quality management principles on which the quality management system standards are based on. These principles help the organizations to improve their performance (www.iso.org). As same as applying quality management system in procurement process, a quality procurement process can be implemented easily.

4.21 Essence of Quality Procurement

In the private sector, procurement is considered as a profit center to maximize the firm's profit in saving material cost. However, there is a major distinction in public procurement as it draws its funds from tax revenue. Hence, unlike procurement in the private sector, governmental procurement should reflect public concerns as well as efficiency. Nevertheless, both are quite similar in many ways such as cost savings, quality assurance, supplier relationship, procurement ethics, supply market analysis, green procurement and so on.

In recent years, for sustenance and higher productivity most government agencies transform to both privatization and corporatization. It is believed that more controlled mechanism would adopt in private culture for ensuring higher profit while government bodies fail to attain it. Nevertheless, government organizations have to deal in many concerns to the benefits of common people.

Public Procurement is one of the important tasks of government in which government expenditure would be spent for uplifting the lifestyle of general people. However, lack of expedition, focus, transparency and accountability, government fund may fall in worthless activities. Due to this, the organization for economic co-operation and development defined the public procurement as a critical economic activity of government. Transparency International said that public procurement affects all the spheres of people's lives and presumes a major portion of government budget. In contrast to public organizations, following own guidelines private agencies procure goods and services efficiently and effectively.

4.22 Quality Procurement

The Secretary General of United Nations Ban Ki-moon addressed the opening session of the 4th High Level Forum on Aid Effectiveness in Busan, Republic of Korea, where the issue of transparency figured high on the agenda. The statement was on the discussion on the 2011 Annual Statistical Report on United Nations Procurement titled as "Transparency and public procurement". He stated as below:

Public procurement is a powerful driver of development. In addition to providing goods and services a country needs, the act of procurement itself can strengthen local economies, support marginalized groups and boost local capacity for commerce. Transparency is a core principle of high-quality public procurement. An open and transparent procurement process improves competition, increases efficiency and reduces the threat of unfairness or corruption.

A robust transparency regime enables people to hold public bodies and politicians to account, thereby instilling trust in a nation's institutions. Transparency also supports the wise use of limited development funds, from planning investments in advance to measuring the results. Implementing an effective transparency regime is not easy. This report shares best practice from many countries and organizations, and raises key issues for discussion.

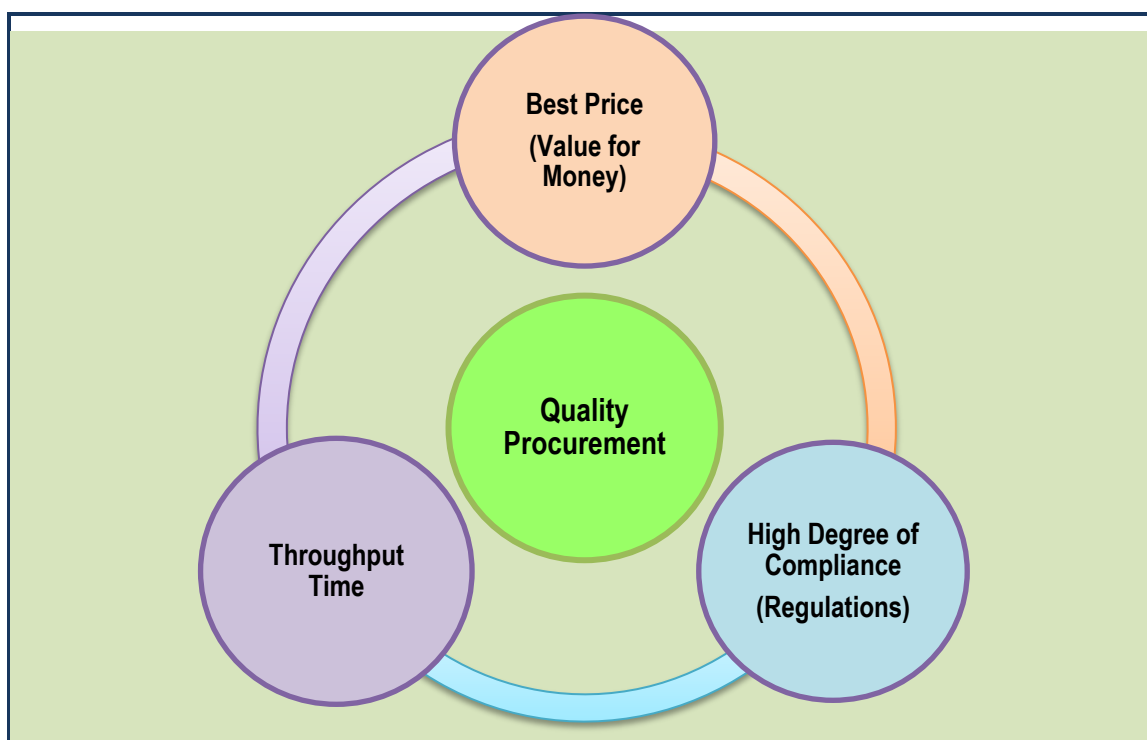


Figure 4.7: Quality Procurement Key Indicators

The quality procurement refers the procurement is indeed providing the needed goods and services at the best prices, in a reasonable period of time, and with a high degree of compliance to procurement regulations (Shane and Lafferty, 2006).

Procurement Quality Management

Executive authorities are responsible for the technical integrity of land materiel they procure, manage or maintain. Effective procurement quality management assists in achieving technical integrity by establishing confidence that procured goods and services conform to quality requirements. Quality management is dependent upon an effective quality management system and comprises (<http://www.defence.gov.au>):

- **Quality Planning** – the part of quality management focused on setting quality objectives and specifying necessary operational processes and related resources to fulfill the quality objectives
- **Quality Assurance** – the part of quality management focused on providing confidence that quality requirements will be fulfilled
- **Quality Control** – the part of quality management focused on fulfilling quality requirements
- **Quality Improvement** – the part of quality management focused on increasing the ability to fulfill quality requirements

4.23 Conceptual Framework of Quality Procurement

The concept of quality procurement system is a way of gradual empirical practice of various tires in the procurement chain. In the very beginning, there are a number of procurement practices to be performed in both public and private sectors. And then, by product, there is a procurement deal would be disposed accordingly. In search of quality procurement, yet the performed procurement is not sure that it is quality or not quality. And in the midst of ordinary procurement and quality procurement, there would be a factor of good governance in the procurement process. After routing through the tools of good governance the procurement process may get a shape of quality procurement that is the final desire of every organization. In the area of quality procurement, some attributes may have been maintained for desired results of sustainability. Finally the overall concept may visualize a conceptual framework for understanding and achieving the quality procurement in public and private entities.

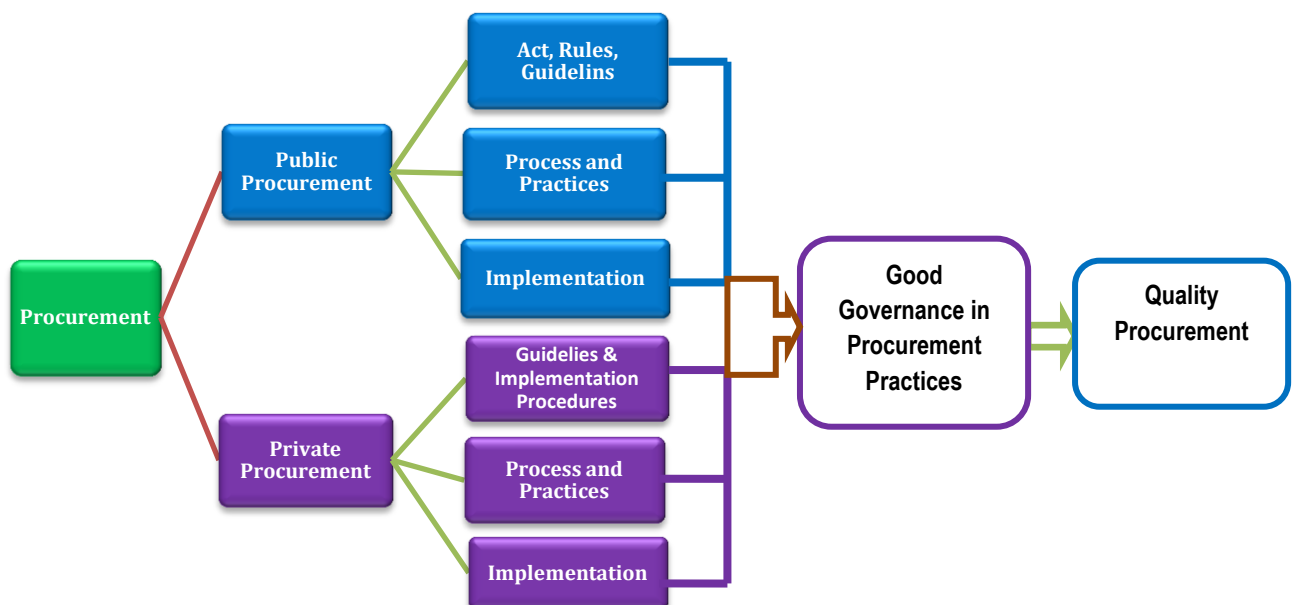


Figure 4.8: Conceptual Framework for establishing Quality Procurement System

The figure illustrates the conceptual framework for building and practicing a quality procurement system. It will be explained the detailed understanding by the various factors, tools and indicators by promoting analytical framework of the study. From the core concept in investigate the quality procurement in Bangladesh perspective, the data accumulation and overall procurement practices in both public and private organizations may lead to the desire outcomes.

4.24 Analytical Framework of Quality Procurement

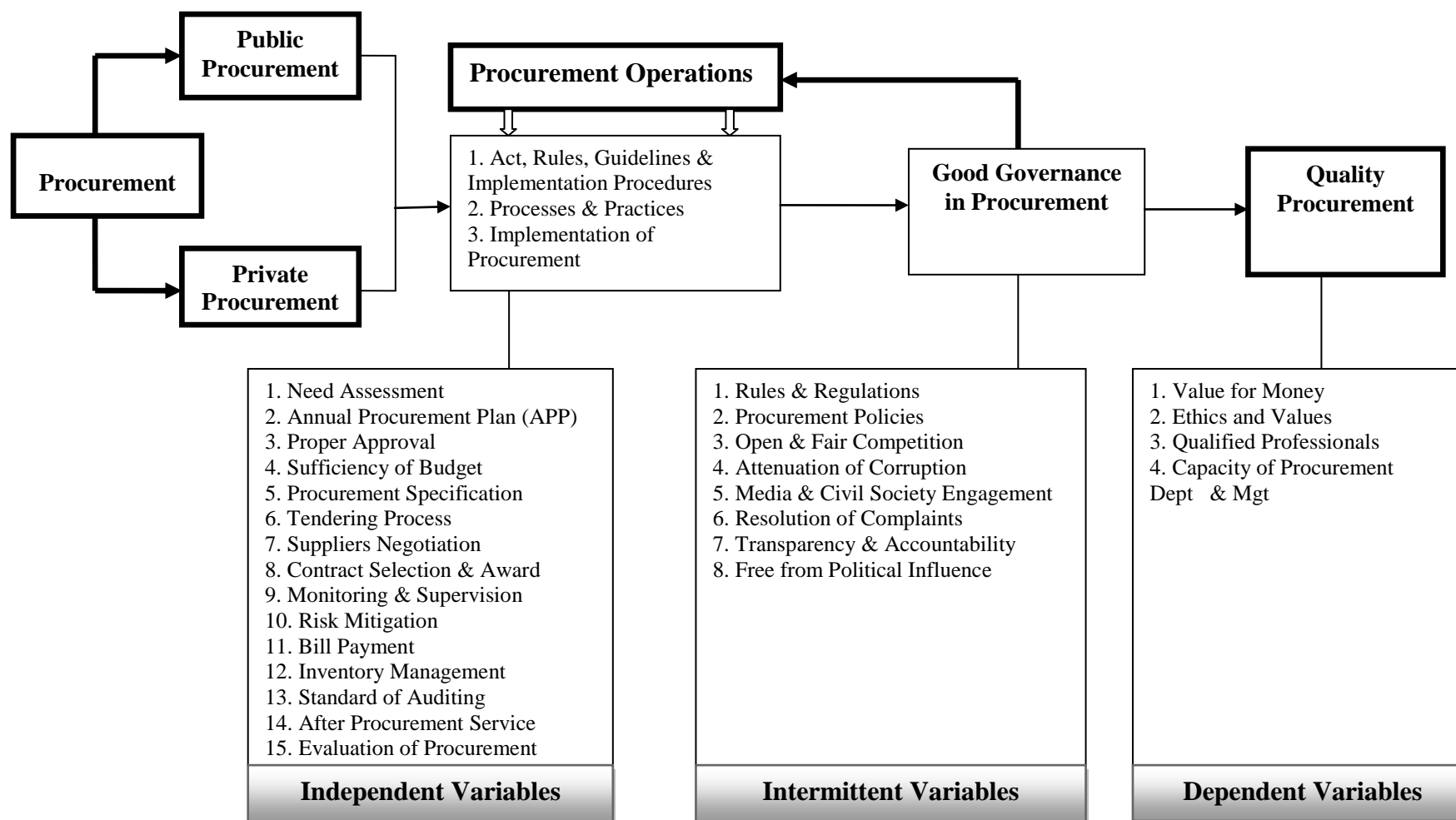


Figure 4.9: Analytical Framework of Procurement Practices to Quality Procurement

From Figure 4.9, having understood and explained from conceptual framework of the study, the three major variables are associated with the analysis that is depicted the analytical framework. The major variables are:

1. **Procurement Practices**
2. **Good Governance in Procurement**
3. **Quality Procurement**

Descriptive statistics, correlation and regression analysis will be needed to satisfy, compare, and validate assumptions regarding analysis of the key and sub-variables to find the status and system of quality procurement.

Major Variables in the Study

There are three major variables are drawn to the analysis. These are given in the below:

1. **Independent Variable** - **Procurement Practices**
2. **Intermittent Variables** - **Good Governance in Procurement**
3. **Dependent Variables** - **Quality Procurement**


Independent Variable	Intermittent Variables	Dependent Variables
1. Need Assessment	1. Rules & Regulations	1. Value for Money
2. Annual Procurement Plan	2. Procurement Policies	2. Ethics and Values
3. Proper Approval	3. Open & Fair Competition	3. Qualified Professionals
4. Sufficiency of Budget	4. Attenuation of Corruption	4. Capacity of Procurement Dept & Mgt
5. Procurement Specification	5. Media & Civil Society Engagement	
6. Tendering Process	6. Resolution of Complaints	
7. Suppliers Negotiation	7. Transparency & Accountability	
8. Contract Selection & Award	8. Free from Political Influence	
9. Monitoring & Supervision		
10. Risk Mitigation		
11. Bill Payment		
12. Inventory Management		
13. Standard of Auditing		
14. After Procurement Service		
15. Evaluation of Procurement		

Table 4.4: Major Variables with Indicators for Quality Procurement

4.25 Development of Research Hypotheses

There are a number of standard rules and regulations in public procurement system in Bangladesh while in private agencies different sorts of manuals and guidelines are in practice in their own styles and functions in diverse types of organizations.

The ideas and empirical studies in finding from literature reviews, the innovative way of formulating conceptual framework, and finally analytical framework strategy for analysis direct to the following research hypotheses to identify the scenario and implementation the quality procurement system in public and private organizations in Bangladesh. So the hypotheses are outlined in the following:

H-1: The optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices attributes.

H-2: Procurement Practices have a positive role on promoting good governance in procurement in Bangladesh Betar and Grameenphone Limited.

H-3: Procurement Practices is positively related with quality procurement attributes in Bangladesh Betar and Grameenphone Limited.

Chapter: 5

Research Methodology

5.1 Research Design

5.2 Research Areas (Data Collecting Hubs)

5.3 Sampling Design

5.4 Scale Construction

5.5 Data Collection

5.6 Data Processing

5.7 Data Analysis

5.8 Reliability Appraisal

5.9 Correlation Analysis

5.10. Regression Analysis

5.11 Hypothesis Validation

5. Research Methodology

The research is based on quantitative method in which the scenario of procurement practices in Bangladesh is described through collecting data from the respondents of Bangladesh Betar and Grameenphone Ltd. The data are also being used to find governance and quality procurement status in both agencies. The study is conducted through structured questionnaire survey among both agencies. Moreover, some interviews are being made as Key Informant Interviews (KII) for understanding challenges, suggestions and opinions regarding quality procurement in Bangladesh.

5.1 Research Design

The focus the research is to understand the relation between independent and dependent variables which will ultimately reveal the answer of the research questions. The intermittent variables are also playing a key role to promote the quality procurement practices in action process. The relationship is articulated a set of statistical tools like correlations, mean of frequencies, percentages. The strategic outline of the design of research has been illustrated in the following way.

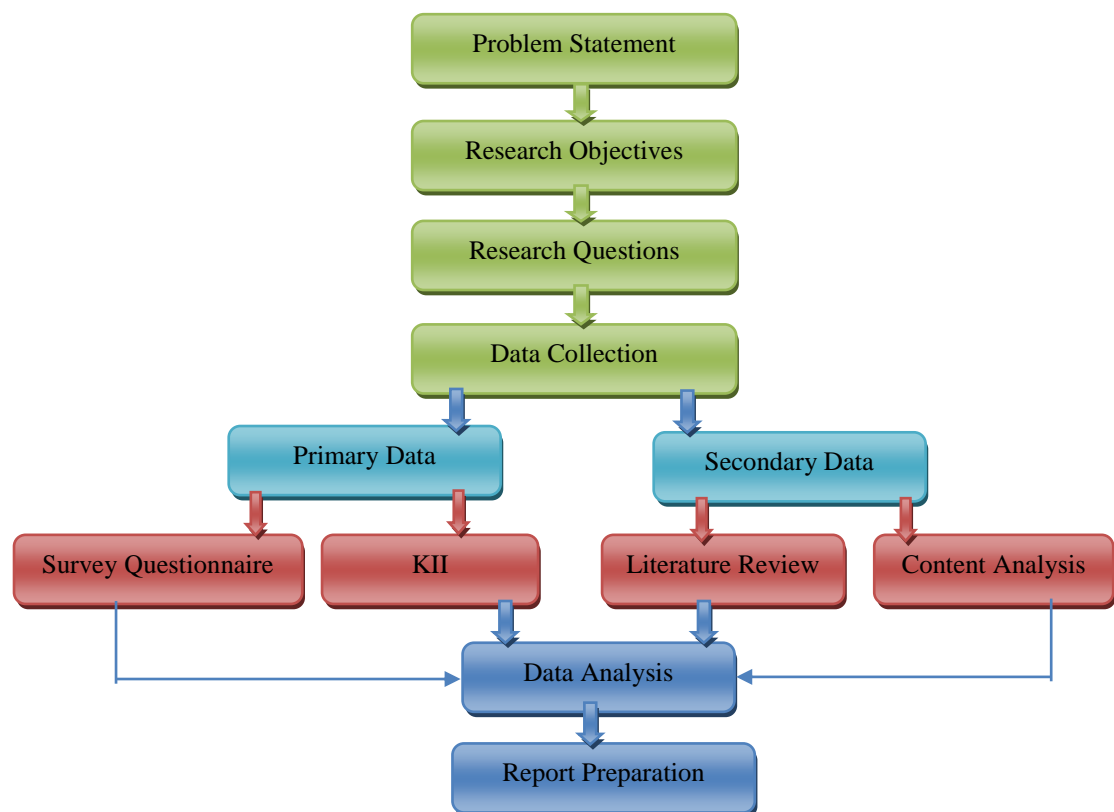


Figure 5.1: An Outline of Research Design and Its Elements

5.2 Research Areas (Data Collecting Hubs)

As it is focused on the overall procurement practices in Bangladesh Betar and Grameenphone Limited so it is practical to collect data from the headquarters of these organizations. The main procurement hub in Bangladesh Betar is Maintenance section, different project offices, Chief Engineer, Additional Chief Engineer and the related procurement officials are belonged to headquarter based. Besides, there are a number of small entities spreading all over Bangladesh are also conducting procurement in tiny scale.



Figure 5.2: Bangladesh Betar: Agargaon Office



Figure 5.3: Bangladesh Betar: Shahbagh Office

In case of Grameenphone Limited, The GP House is their headquarter located at Bashundhara Residential Area, Baridhara, Dhaka. A skilled team of procurement is deployed there. And the procurement activities of the organization are mainly managed here.



Figure 5.4: Grameenphone Limited: GP House, Bashundhara, Dhaka.

5.3 Sampling Design

The total sample size of the dissertation was 60 ($n=60$). In collecting data, the equal number respondents were maintained from both sectors, 30 from public sector and 30 from private sector. The set of questionnaire consisting three stages submitted to the respondents to reveal their opinions according to the objective of the research. And hence, for BB, $n = 30$ and for GP, $n = 30$. In this study, simple random sampling method is used for collecting data from the respective organizations (BB and GP).

5.4 Scale Construction

It is given a scope to the respondents to provide their opinions in a 5 point scale. In all respect, 1 represents the lowest value and, on the other hand 5 represent the highest value. In the scale construction, opinions and views patterns across different questions are scored in different categories (Scott and Xie, 2005). In every section of questionnaire like ‘Scenario of Procurement Practices’, ‘Scenario of Good Governance in Procurement’ and ‘Status of Quality Procurement’ the same 5 scale measuring scale has been maintained.

Table 5.1: Scale Construction of Major Variables

Scale	Procurement Practices	Good Governance in Procurement	Quality Procurement
5	Very Effective	Very Effective	Very Good
4	Effective	Effective	Poor
3	As Usual	As Usual	Moderate
2	Ineffective	Ineffective	Good
1	Very Ineffective	Very Ineffective	Very Poor

5.5 Data Collection

In this dissertation, a number of data collection for the sake of an optimum outcomes of the research accommodating both primary and secondary data. The first hand data regarded primary data have been collected by promoting standard questionnaire (Appendix 1) from targeted respondents and at the same time asked a set of questions to the experts in the field of procurement. The experts opinions are as like as Key Informants Interviews (KII). The secondary was collected through content analysis from research journals, text books, daily newspapers, and documents from various websites.

5.6 Data Processing

For data analysis, the data were tabulated, edited, coded, and classified and to the objective of the study. Collected data were classified using broad patterns like qualitative, and systematically organized on the basis of predetermined variables. Respondents' age, sex, education, occupation etc. were classified based on qualitative types of classifications.

5.7 Data Analysis

The data collected from both sources of procuring entities were recorded into excel tests to ease data analysis and then data were further deduced through SPSS tool. The data were examined appropriate mathematical and statistical tools like tabulation, frequency distribution, percentage, arithmetic mean and standard deviation using SPSS software (Version 16). The relationship between the dependent and independent variables were analyzed by Pearson Correlation, Cronbach's Alpha and Regression Analysis by the statistical software tool SPSS. Outcomes and results were presented by graphs, tables, narrative texts, simple computation and logical reasoning. Data Analysis was conducted with a heading to the research objectives and questions for an optimum conclusion.

5.8 Reliability Appraisal

It is important to test the reliability among the variables for overall consistency in a domain. It measures the quantity to which the ideas collected for given item correlate highly with each other (Kenova and Jonnason, 2006). Cronbach's Alpha test of reliability has calculated to measure internal consistency of a scale. Perfectly, the Cronbatch Alpha co-efficient of scale standardized with the value 0.7 and above (Pallant, 2007). The value of Cronbach's Alpha for the major variables was reported in the table (Table 5.1). The Cronbach Alpha coefficients for each item were above 0.7 or near to. The values were accepted and standard which satisfied the requirement (Hair et al. 2006).

Table 5.2: Reliability Test for Major Variables

Major Variables	No. of Items	Cronbach's Alpha (α)
Procurement Practices	30	0.966
Good Governance in Procurement	16	0.916
Quality Procurement	12	0.965

5.9 Correlation Analysis

To focus on the objectives of the study the variables like independent, intermittent and dependent are Procurement Practices, Good Governance in Procurement and Quality Procurement respectively. In finding the desired results in the status of Quality Procurement, a correlation was formulated exploiting the variables in the questionnaire to come up with the potency of relationship among the variables reflected in the questionnaire. In the opinion of Kline (1998), correlation matrix is defined as a set of correlation coefficients between the variables by using version-16.

5.10 Regression Analysis

The regression analysis would support the interdependency among the variables, and even major variables. The three variables like procurement practices, good governance in procurement and quality procurement are being analyzed to show their relationships to reveal the outcomes of hypotheses. This is also done by using SPSS, version-16.

5.11 Hypothesis Validation

Hypothesis-1:

The optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices attributes.

To test this hypothesis, mean values and chi-square test of procurement practices variable was analyzed with the help of SPSS (Version 16).

Hypothesis-2:

Procurement Practices have a positive role on promoting good governance in procurement in Bangladesh Betar and Grameenphone Limited.

To test this hypothesis, paired sample t-test and regression for analysis of variance was analyzed with the help of SPSS (Version 16).

Hypothesis-3:

Procurement Practices is positively related with quality procurement attributes in Bangladesh Betar and Grameenphone Limited.

To test this hypothesis, paired sample t-test and regression for analysis of variance was analyzed with the help of SPSS (Version 16).

Chapter 6

Data Analysis and Results

6.1 Demographic Profiles: Descriptive Statics

6.1.1 Respondent's Age

6.1.2 Overall Respondent's Age Distribution

6.1.3 Respondent's Education

6.1.4 Respondents wise Organizations Type

6.1.5 Respondent's Occupational Status

6.1.6 Respondent's Gender Status

6.1.7 Respondent's Relevant Service Length

6.1.8 Respondent's Specialized Training on Procurement

6.2. Procurement Practices: Data Analysis and Results

6.2.1 Descriptive Statistics

6.2.2 Gap Analysis between BB and GP

6.2.3 Pearson Correlation

6.2.4 Regression Coefficients

6.3. Good Governance in Procurement: Data Analysis and Results

6.3.1 Descriptive Statistics

6.3.2 Gap Analysis in between BB and GP

6.3.3 Pearson Correlation

6.3.4 Regression Coefficients

6.4 Quality Procurement: Data Analysis and Results

6.4.1 Descriptive Statistics

6.4.2 Gap Analysis in between BB and GP

6.4.3 Pearson Correlation

6.4.4 Regression Coefficients

6.5 Enhancement of the Level of Quality Procurement

6.6 Key Informant Interviews: Discussions and Opinions

6.6.1 Quality Procurement: Challenges and Suggestions

6.6.2 Major Challenges for Quality Procurement

6.6.3 Reasonable Suggestions for Quality Procurement

6.7 Key Results: Correlation Analysis

6.8 Hypotheses Results

6. Data Analysis and Results

The aim of this chapter is to present the empirical results of the model analyzed from content analysis and to discuss the results obtained from the data source. This chapter also presents the results of research findings derived from the data analysis by using quantitative and qualitative methods. The present study analyzed the quality procurement status through practices good governance in procurement process in both public and private agencies. In this study, questionnaire survey and key informant interviews have been followed.

6.1 Demographic Profiles: Descriptive Statics

The study covers of collecting data from different organization; a public entity and another one is a private. It was conducted from May 2013 to June 2014. The demographic profiles was attempted to summarize the information from the sample target respondents especially from procurement departments of both the organizations. The total respondents were 60, each organization represents 30.

6.1.1 Respondent's Age

Respondent's age is analyzed and depicted by organization wise and as well as the overall category for some age groups.

Table 6.1: Age Distribution of the Bangladesh Betar and Grameenphone Limited

Bangladesh Betar		Grameenphone Limited	
Age Group	Percentage	Age Group	Percentage
30-34	3.3	25-29	26.7
35-39	20.0	30-34	40.0
40-44	16.7	35-39	30.0
45-49	20.0	40-44	3.3
50-54	20.0	Total	100.0
55-59	20.0		
Total	100.0		

Source: Field Survey, 2014

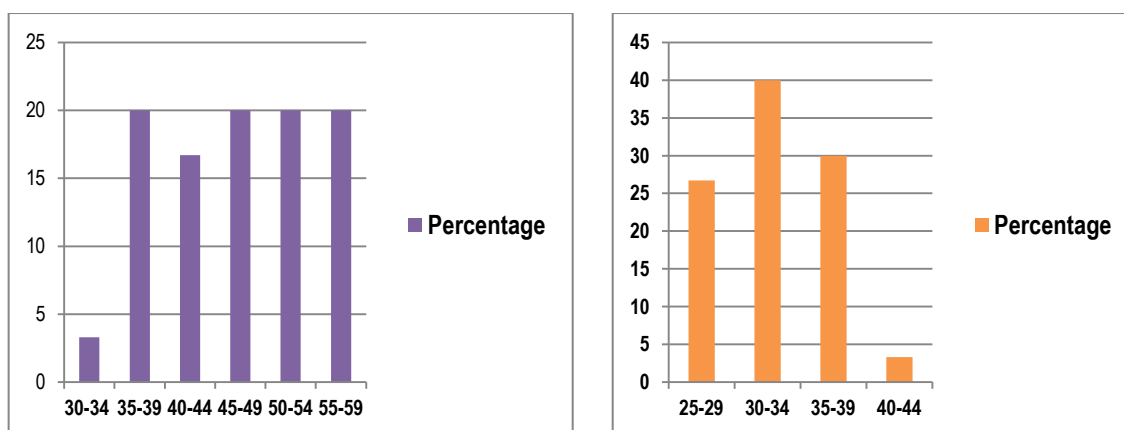


Figure 6.1 Age distribution of the Bangladesh Betar and Grameenphone Limited

Table 6.1 has illustrated the age level for each organization. It was evident that comparatively more aged respondents like 20% within 45-59 years were working in the government entity Bangladesh Betar whereas more young procurement staffs were working in Grameenphone Limited. The respondents were 40% within age group 30-34 years were more dominant in Grameenphone limited for disposing procurement activities. The age level has explained the in Bangladesh Betar, the procurement work assignments are more equally distributed while in Grameenphone Limited uneven age pattern is functioning procurement processes.

6.1.2 Overall Respondent's Age Distribution

Table 6.2: Overall Respondents Age Distribution for both organizations

Age Group	No. of Respondents	Percentage
25-29	8	13.3
30-34	13	21.7
35-39	15	25.0
40-44	6	10.0
45-49	6	10.0
50-54	6	10.0
55-59	6	10.0
Total	60	100.0

Source: Field Survey, 2014

The Table 6.2 has showed the overall age level for both organizations. In the performing of procurement functions, as a whole young aged group were more engaged in the activities. 21.7% and 25% 30-34 and 35-39 were more.

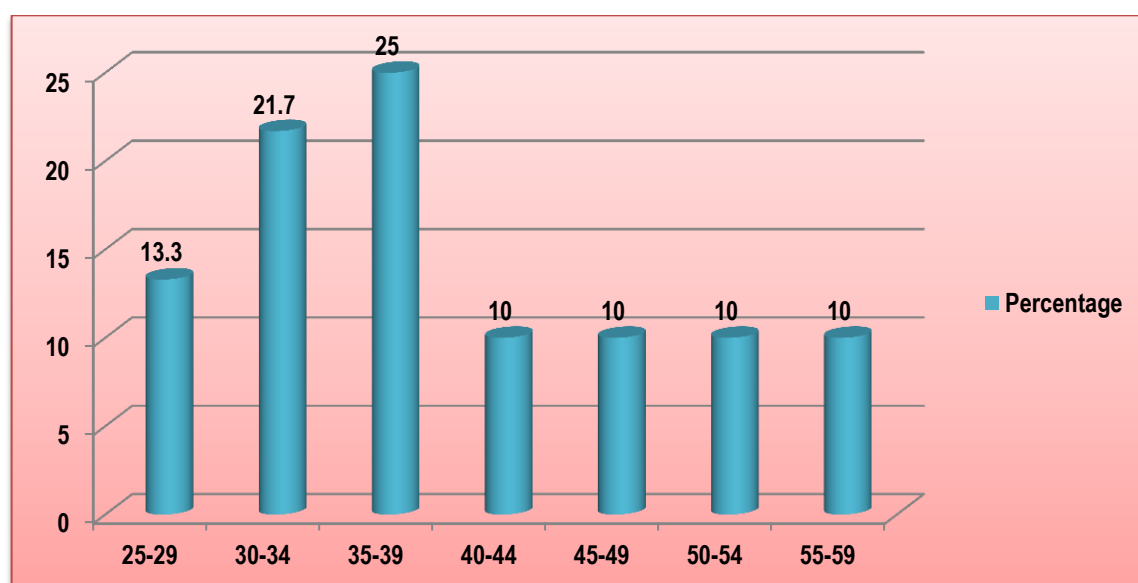


Figure 6.2: Overall Respondent's Age Distribution for both organizations

6.1.3 Respondent's Education

Most of the respondents are highly education for both organizations. Almost 45% of respondents had postgraduate degree and 54% of undergraduate in Bangladesh Betar while 90% of respondents had postgraduate degree and 10% of undergraduate degree in Grameenphone Limited. It was remarkable to note that in Grameenphone Limited there were a significant number of respondents from business administration whereas substantial figure were engineering background in Bangladesh Betar. This statistics reveals that The Grameenphone Limited is more profit and business motive in nature.

Table 6.3: Education Level of Bangladesh Betar and Grameenphone Limited

Bangladesh Betar		Grameenphone Limited	
Education Level	Percentage	Education Level	Percentage
B.Sc. in Engineering	50.0	B.Sc. in Engineering	6.7
M.Sc. in Engineering	3.3	M.Sc. in Engineering	10.0
M.Sc. in Applied Physics & Electronics	36.7	M.Sc. in Applied Physics & Electronics	3.3
Diploma in Electrical Engineering	3.3	MBA	73.3
BSS (Pass)	3.3	BBA	3.3
MA	3.3	MA	3.3
Total	100.0	Total	100.0

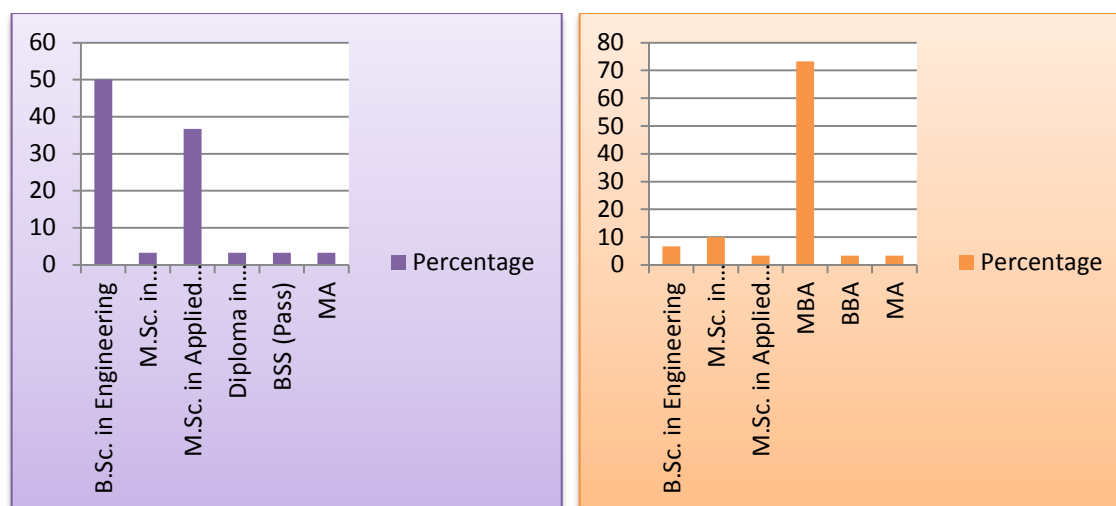


Figure 6.3: Education Level for Bangladesh Betar and Grameenphone Limited

The table 6.4 shows that there are significant number of respondents had engineering and business administration degree. It was found that 28.3% of all respondents had B.Sc. in Engineering Degree and 36.7% of all respondents had Master of Business Administration Degree.

Table 6.4: The Overall Education Level of both Organizations

Educational Level	No. of Respondents	Percentage
B.Sc. in Engineering	17	28.3
M.Sc. in Engineering	4	6.7
M.Sc. in Applied Physics & Electronics	12	20.0
Diploma in Electrical Engineering	1	1.7
BSS (Pass)	1	1.7
MBA	22	36.7
BBA	1	1.7
MA	2	3.3
Total	60	100.0

Source: Field Survey, 2014

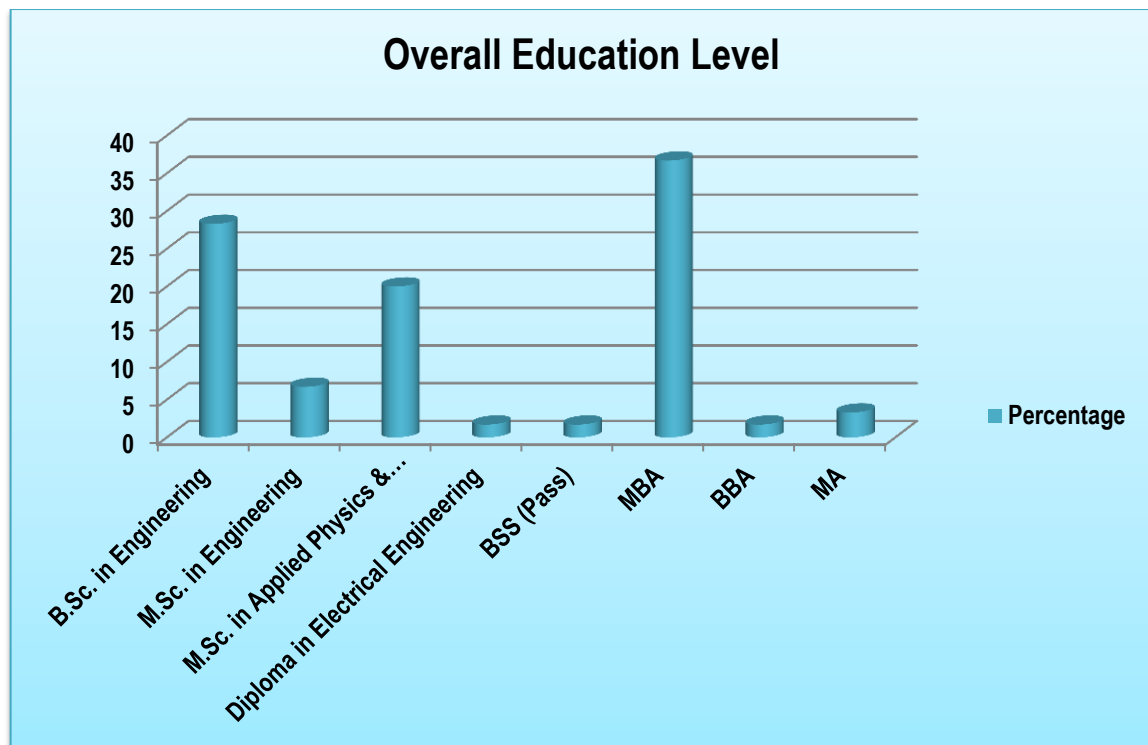


Figure 6.4: Overall Education Level of both organizations

6.1.4 Respondents wise Organizations Type

In order to find a scenario, it was conducted a questionnaire survey in two different organizations in Bangladesh. Bangladesh Betar, a public entity with 30 respondents, and on the other part, Grameenphone Limited, a multinational-local venture private entity with also 30 respondents under jurisdiction of the study.

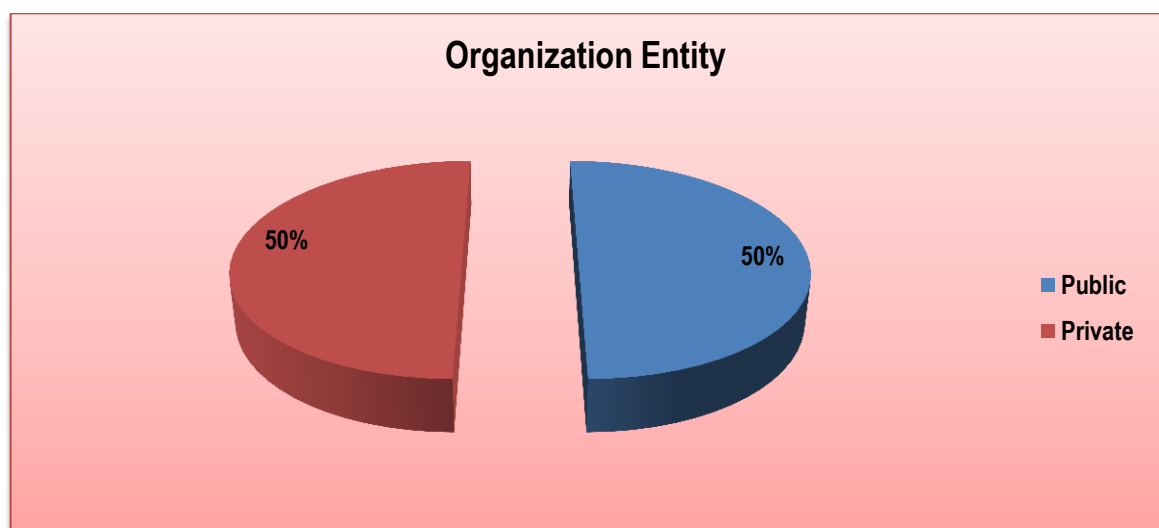


Figure 6.5: Organization Type of Bangladesh Betar and Grameenphone Limited

Table 6.5: Organization Type of Bangladesh Betar and Grameenphone Limited

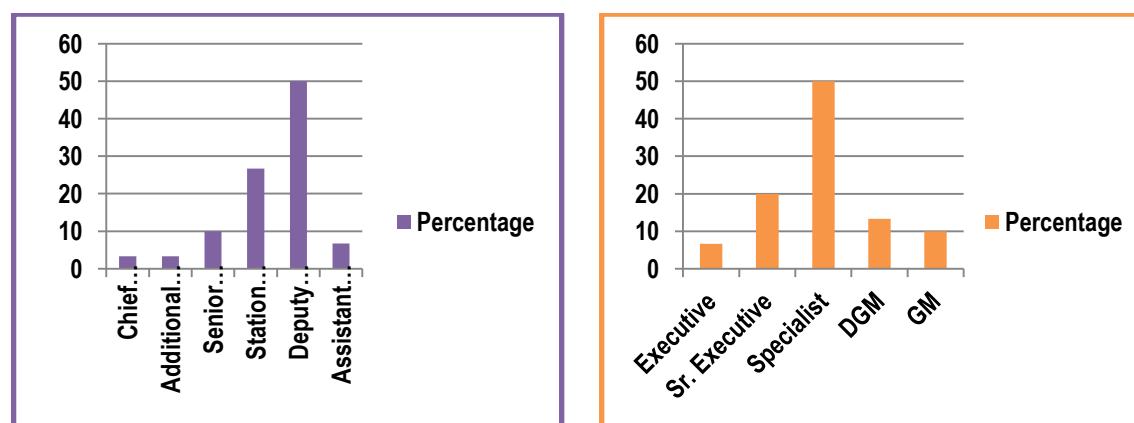
Type of Org.	Name of Org.	No. of Respondents	Percentage
Public Entity	Bangladesh Betar	30	50.0
Private Entity	Grameenphone Limited	30	50.0
Total		60	100.0

6.1.5 Respondent's Occupational Status

Table 6.6 demonstrated the occupational status of the respondents of both organizations Bangladesh Betar and Grameenphone Limited. Estimated 26.7% of respondents were serving as Station Engineer and 50% were serving as Deputy Station Engineer in Bangladesh Betar. On the other hand, in Grameenphone Limited, 50% were working as a Procurement Specialist and 20% as Senior Executive. In both organizations, the mid class position of employment are more dominant in dealing procurement activities.

Table 6.6: Occupational Status of Bangladesh Betar and Grameenphone Limited

Bangladesh Betar		Grameenphone Limited	
Occupational Status	Percentage	Occupational Status	Percentage
Chief Engineer	3.3	Executive	6.7
Additional Chief Engineer	3.3	Sr. Executive	20.0
Senior Engineer	10.0	Specialist	50.0
Station Engineer	26.7	DGM	13.3
Deputy Station Engineer	50.0	GM	10.0
Assistant Radio Engineer	6.7	Total	100.0
Total	100.0		

**Figure 6.6: Occupational Status of Bangladesh Betar and Grameenphone Limited**

In both organizations it was interesting found that the same percentage as 50% is the highest figure for both organizations and these are Deputy Station Engineer and Specialist.

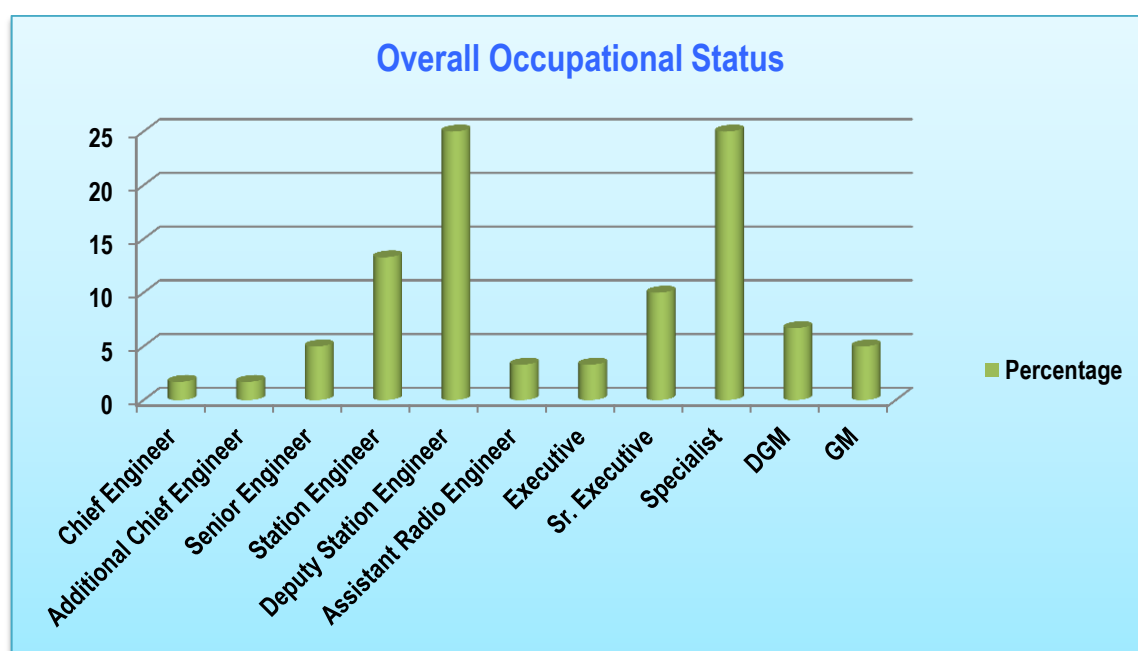


Figure 6.7: The Overall Occupational Status of both the organizations

Table 6.7: The Overall Occupational Status of both the organizations

Occupational Status	No. of Respondents	Percentage
Chief Engineer	1	1.7
Additional Chief Engineer	1	1.7
Senior Engineer	3	5.0
Station Engineer	8	13.3
Deputy Station Engineer	15	25.0
Assistant Radio Engineer	2	3.3
Executive	2	3.3
Sr. Executive	6	10.0
Specialist	15	25.0
DGM	4	6.7
GM	3	5.0
Total	60	100.0

Source: Field Survey, 2014

6.1.6 Respondent's Gender Status

The Figure 6.8 has demonstrated that the total number of respondents in Bangladesh Betar was male. This is how, easily showed that the male staffs are more engaged in procurement processes and implementation in the public entity of Bangladesh Betar. In contrary, there was different pattern observed in Grameenphone Limited. In the respondents of GP, 77% were male and the rest 23% were female staffs. So, there is a diversified working environment in Grameenphone Limited especially in the department of procurement and sourcing.

Table 6.8: The Gender Status of Bangladesh Betar and Grameenphone Limited

Bangladesh Betar			Grameenphone Limited		
Gender Status	No. of Respondents	Percentage	Gender Status	No. of Respondents	Percentage
Male	30	100.0	Male	23	76.7
Female	-	-	Female	7	23.3
Total	30	100.0	Total	30	100.0

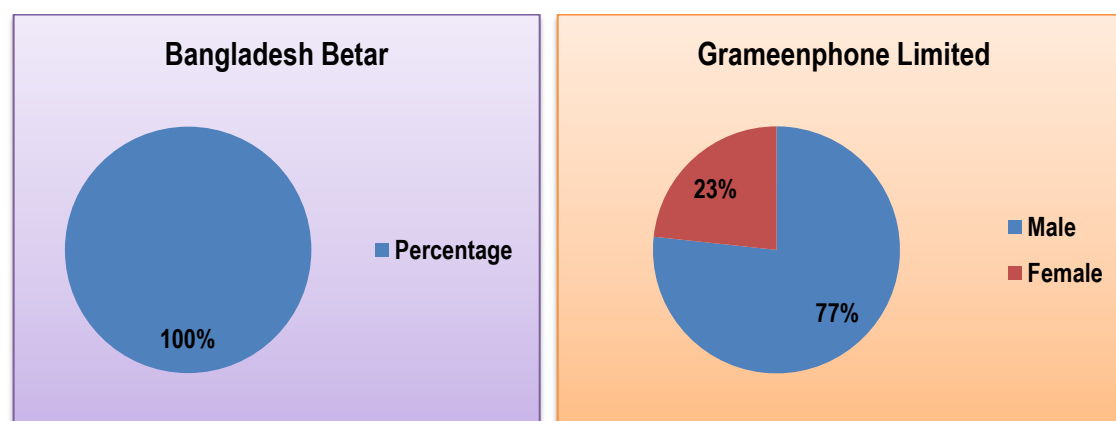


Figure 6.8: The Gender Status of Bangladesh Betar and Grameenphone Limited

Table 6.9: Overall Gender Status of Bangladesh Betar and Grameenphone Limited

Gender Status	No. of Respondents	Percentage
Male	53	88.3
Female	7	11.7
Total	60	100.0

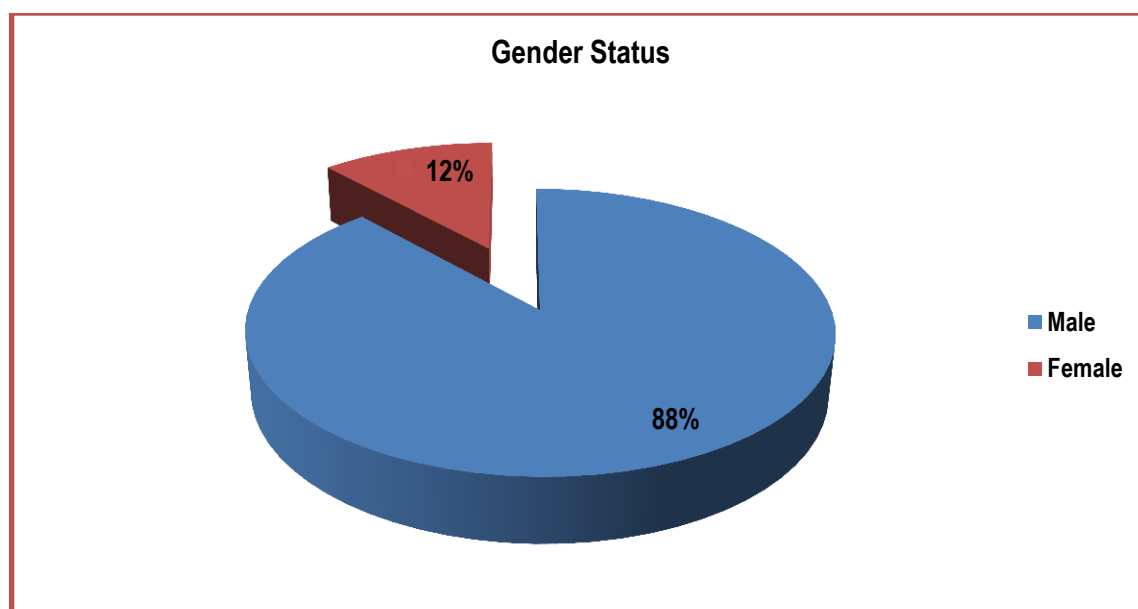


Figure 6.9: Overall Gender Status of Bangladesh Betar and Grameenphone Limited

6.1.7 Respondent's Relevant Service Length

The Table 6.10 and Figure 6.10 have demonstrated that the service length in the procurement, supply chain management and store department in each organization Bangladesh Betar and Grameenphone Limited is encompassed the highest and even the same percentage 50% in the years range of $5 < Y < 10$ years. This information leads to the study that moderate years of experienced people perform the procurement activities in each organization. This also concludes that the growing personnel in the leading position in implementing the procurement project.

Table 6.10: Respondent's Relevant Service Length of BB and GP

Bangladesh Betar		Grameenphone Limited	
Service Length	Percentage	Service Length	Percentage
Y<5	26.7	Y<5	23.3
5<Y<10	50.0	5<Y<10	50.0
10<Y<15	16.7	10<Y<15	23.3
15<Y<20	6.7	15<Y<20	3.3
Total	100.0	Total	100.0

Source: Field Survey, 2014

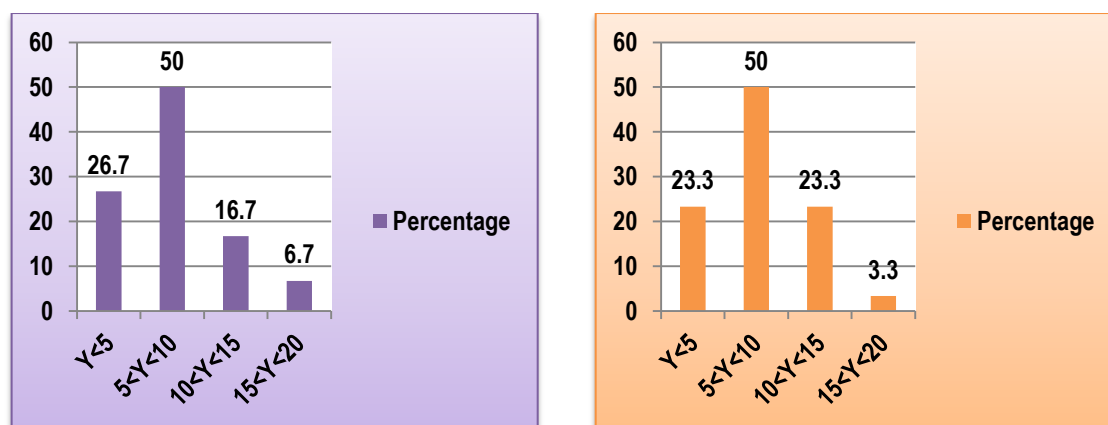


Figure 6.10: Respondent's Relevant Service Length of BB and GP

Table 6.11: Respondent's Relevant Service Length for both organizations

Service Length (In Years)	No. of Respondents	Percentage
Y<5	15	25.0
5<Y<10	30	50.0
10<Y<15	12	20.0
15<Y<20	3	5.0
Total	60	100.0

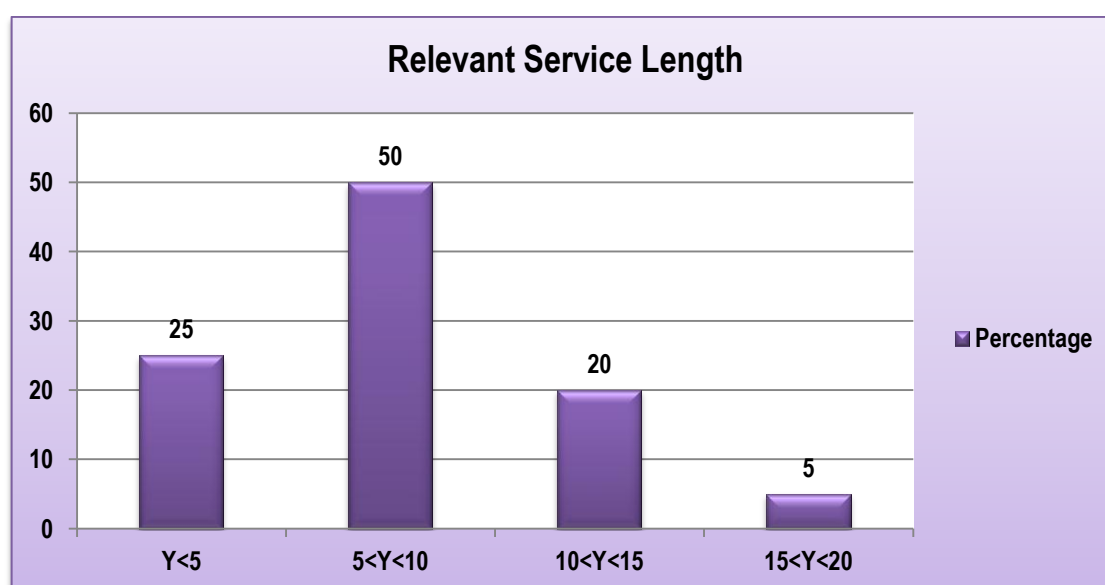


Figure 6.11: Respondent's Relevant Service Length for both organizations

Source: Field Survey, 2014

6.1.8 Respondent's Specialized Training on Procurement

The Table 6.12 has depicted the achieved specialized training on procurement of the respondents of Bangladesh Betar and Grameenphone Limited. In Bangladesh Betar, comparatively less number of respondents had earned the procurement related training. Only 30% of respondents had training, and rest 70% had no training on procurement management. In case of Grameenphone Limited, every half of respondents was trained and non-trained. These figures provide a speculation that the respondents of Grameenphone Limited are more capable in dealing procurement activities compare to the respondents of Bangladesh Betar.

Table 6.12: Respondent's Specialized Training on Procurement for BB and GP

Bangladesh Betar		Grameenphone Limited	
Specialized Training	Percentage	Specialized Training	Percentage
Yes	30	Yes	50
No	70	No	50

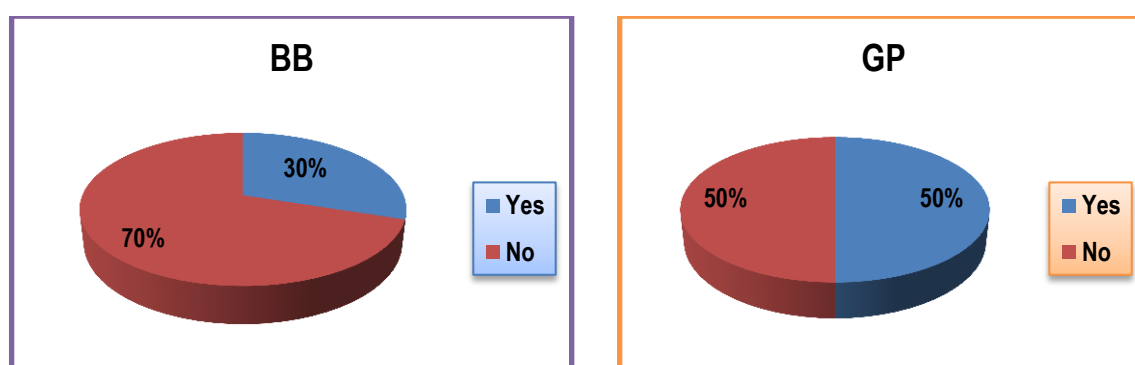


Figure 6.12: Respondent's Specialized Training on Procurement for BB and GP

Table 6.13 has outlined that among the 60 respondents from both the organizations, more respondents were found who had no training on procurement process and management. Only 40% of all respondents had training and the rest 60% had no specialized training on procurement.

Table 6.13: Overall Respondent's Specialized Training on Procurement

Specialized Training	No. of Respondents	Percentage
Yes	24	40.0
No	36	60.0
Total	60	100.0

**Figure 6.13: Overall Respondent's Specialized Training on Procurement**

6.2. Procurement Practices: Data Analysis and Results

In this stage of analysis, the process and implementation of procurement practices was analyzed based on fifteen key variables for both public and private organizations. The scenario of procurement practices in Bangladesh piloting two different organizations was also observed and revealed through gap analysis by the mean values of each set of variables.

6.2.1 Descriptive Statistics

The two tables, for Bangladesh Betar and Grameenphone Limited have represented the mean value and standard deviation for the indicators of the scenario of procurement practices (Table 6.14 & 6.15). For Bangladesh Betar, the highest mean value of the measured items was 3.97 with 0.45 standard deviation for 'Bill Payment'. The second highest mean values were the two, 3.68 with 0.58 standard deviation and 3.68 with 0.56 standard deviation for 'need assessment' and 'contract selection and award' respectively.

These variables approached to the very close to 4 which came up with the effective level of procurement practices in Bangladesh Betar.

For Grameenphone Limited, the highest mean value of the measured items was 4.60 with 0.44 standard deviation for 'Contract Selection and Award'. The second highest mean values were the two, 4.45 with 0.62 standard deviation for 'supplier's negotiation'. These variables approached to the very close to 5 which signified the very effective level of procurement practices in Grameenphone Limited.

Table 6.14: Descriptive Statistics for Procurement Practices in Bangladesh Betar

Variables	N	Mean \pm Std. Deviation
Need Assessment	30	3.68 \pm 0.58
Annual Procurement Plan	30	3.57 \pm 0.54
Proper Approval	30	3.37 \pm 0.61
Sufficiency of Budget	30	2.47 \pm 0.52
Procurement Specification	30	3.02 \pm 0.65
Tendering Process	30	3.33 \pm 0.72
Suppliers Negotiation	30	2.42 \pm 0.62
Contract Selection and Award	30	3.68 \pm 0.56
Monitoring & Supervision	30	2.58 \pm 0.59
Inventory Management	30	2.35 \pm 0.70
Standard of Auditing	30	2.22 \pm 0.50
After Procurement Service	30	2.45 \pm 0.67
Evaluation of Procurement	30	2.33 \pm 0.62
Risk Management	30	1.92 \pm 0.62
Bill Payment	30	3.97 \pm 0.45

Table 6.15: Descriptive Statistics for Procurement Practices in Grameenphone Ltd.

Variables	N	Mean \pm Std. Deviation
Need Assessment	30	4.22 \pm 0.64
Annual Procurement Plan	30	3.95 \pm 0.62
Proper Approval	30	4.37 \pm 0.61
Sufficiency of Budget	30	4.23 \pm 0.64
Procurement Specification	30	4.13 \pm 0.74
Tendering Process	30	4.32 \pm 0.63
Suppliers Negotiation	30	4.45 \pm 0.62
Contract Selection and Award	30	4.60 \pm 0.44
Monitoring & Supervision	30	4.18 \pm 0.58
Inventory Management	30	4.27 \pm 0.52
Standard of Auditing	30	4.17 \pm 0.85
After Procurement Service	30	4.07 \pm 0.50
Evaluation of Procurement	30	4.13 \pm 0.68
Risk Management	30	4.00 \pm 0.64
Bill Payment	30	3.90 \pm 1.10

6.2.2 Gap Analysis between Bangladesh Betar and Grameenphone Limited

In the figure 6.14 the contour showed the effectiveness of each fifteen indicators of procurement practices between Bangladesh Betar and Grameenphone Limited. This gap is analyzed by the mean value of the all indicators of procurement practices variable for both organizations. The value is in between 1 and 5, and in most cases, it was visualized that the scenario of procurement practices in Grameenphone Limited was more effective than Bangladesh Betar. From this pattern of curve, it was easily seen that most of the mean values were 4 to 5 in case of Grameenphone Limited whereas 1 to 4 was observed for Bangladesh Betar.

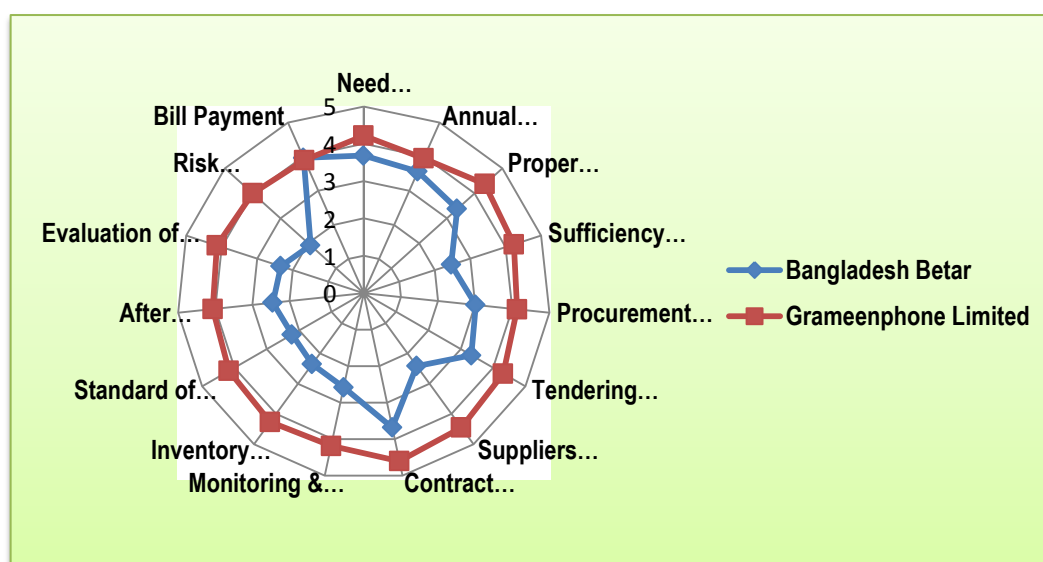


Figure 6.14: Gaps in procurement practices indicators between BB and GP

Almost all fifteen indicators have been made further improvement in case of Bangladesh Betar for the optimum procurement practices. At the same time Grameenphone Limited needs to increase a sight of improvement of its attributes of procurements practices for sustainable quality procurement.

6.2.3 Pearson Correlation

The Pearson Correlation was conducted to understand the relationship among the indicators of the scenario of procurement practices variable with the good governance in procurement for Bangladesh Betar and Grameenphone Limited. Most of the variables of procurement practices have illustrated noteworthy relation with each other (Table 6.16 & 6.17). The Pearson Correlation results recommended that variables were explained with higher correlation coefficient.

Table 6.16: Pearson Correlation among indicators of SoPP with SoGGP for BB

SoPP Variables with SoGGP	NA	APP	PA	SB	PS	TP	SN	CSA	MS	IM	SA	APS	EP	RM	BP	SoGGP
Need Assessment	1															
Annual Procurement Plan	.236	1														
Proper Approval	.216	-.024	1													
Sufficiency of Budget	.021	.069	.440*	1												
Procurement Specification	.175	-.003	.070	.230	1											
Tendering Process	.034	.118	.297	.394*	.061	1										
Suppliers Negotiation	-.173	.199	.174	.524**	.219	.064	1									
Contract Selection & Award	.000	-.013	.023	-.270	-.126	-.113	-.252	1								
Monitoring & Supervision	.055	.336	.199	.065	.154	.277	.115	.160	1							
Inventory Management	-.036	.051	.374*	.552**	.139	.325	.531**	-.125	.095	1						
Standard of Auditing	-.023	.168	.292	.486**	.279	.150	.699**	-.236	.228	.465**	1					
After Procurement Service	.179	.367*	.399*	.434*	.219	.195	.425*	-.156	.293	.185	.465**	1				
Evaluation of Procurement	.016	.293	.098	.274	.029	.147	.458*	-.008	.252	.578**	.202	.227	1			
Risk Management	-.100	.147	.265	.364*	.090	.316	.389*	-.029	.210	.271	.393*	.135	.323	1		
Bill Payment	-.042	-.132	-.109	.104	-.203	.140	-.164	.294	-.054	-.235	-.081	.107	-.296	.236	1	
GOOD GOVERNANCE	.211	.231	.560**	.573**	.151	.288	.522**	-.202	.466**	.560**	.537**	.603**	.439*	.224	-.079	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.17: Pearson Correlation among indicators of SoPP with SoGGP for GP

SoPP Variables with SoGGP	NA	APP	PA	SB	PS	TP	SN	CSA	MS	IM	SA	APS	EP	RM	BP	SoGGP
Need Assessment	1															
Annual Procurement Plan	.376*	1														
Proper Approval	.383*	-.041	1													
Sufficiency of Budget	.188	.356	.345	1												
Procurement Specification	.192	.464**	.324	.150	1											
Tendering Process	.101	.282	.134	.151	.309	1										
Suppliers Negotiation	.267	.217	.388*	.226	.333	.565**	1									
Contract Selection & Award	.225	.113	.367*	.280	.246	.526**	.426*	1								
Monitoring & Supervision	.378*	.338	.385*	.136	.523**	.351	.458*	.396*	1							
Inventory Management	.442*	.256	.223	.247	.351	.413*	.656**	.478**	.432*	1						
Standard of Auditing	.532**	.130	.454*	.273	.304	.470**	.585**	.410*	.528**	.478**	1					
After Procurement Service	.221	.204	.280	.351	.413*	.281	.342	.509**	.399*	.423*	.374*	1				
Evaluation of Procurement	.169	.200	.023	.163	.015	.476**	.526**	.325	.525**	.455*	.434*	.074	1			
Risk Management	.440*	.065	.436*	.189	.452*	.400*	.453*	.363*	.462*	.643**	.612**	.266	.275	1		
Bill Payment	.158	.366*	.031	.073	.459*	.287	.018	.166	.334	.126	.318	.092	.300	.199	1	
GOOD GOVERNANCE	.499**	.286	.129	.052	.289	.565**	.590**	.466**	.556**	.601**	.688**	.383*	.681**	.590**	.268	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

6.2.4 Regression Coefficients

In Table 6.18, the regression coefficients exposed that good governance in procurement was highly positive and significant relationship with monitoring & supervision and it showed the highest 37.6% of total variance. Along with, need assessment, proper approval, sufficiency of budget, supplier's negotiation, inventory management, standard of auditing, after procurement service, evaluation of procurement and bill payment demonstrated the positive relationship with good governance in procurement (SoGGP). On the other hand, annual procurement plan, procurement specification, tendering process, contract selection & award, and risk management showed the negative relation with good governance in procurement (SoGGP).

Table 6.18: Coefficients^a results of procurement practices variables on SoGGP for BB

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.228	.683		1.797	.094
	Need Assessment	.062	.067	.134	.919	.374
	Annual Procurement Plan	-.003	.081	-.006	-.036	.972
	Proper Approval	.154	.089	.352	1.735	.105
	Sufficiency of Budget	.047	.101	.091	.462	.652
	Procurement Specification	-.020	.062	-.048	-.323	.751
	Tendering Process	-.028	.057	-.076	-.495	.628
	Suppliers Negotiation	.082	.096	.188	.852	.408
	Contract Selection & Award	-.109	.076	-.229	-1.444	.171
	Monitoring & Supervision	.172	.069	.376	2.499	.025
	Inventory Management	.075	.082	.194	.918	.374
	Standard of Auditing	.049	.110	.092	.446	.662
	After Procurement Service	.033	.084	.082	.392	.701
	Evaluation of Procurement	.090	.091	.207	.985	.341
	Risk Management	-.105	.082	-.241	-1.278	.222
	Bill Payment	.140	.124	.236	1.132	.277

a. Dependent Variable: GOOD GOVERNANCE IN PROCUREMENT

In Table 6.19, the regression coefficients uncovered that good governance in procurement was highly positive and significant relationship with evaluation of procurement and it confirmed the highest 58.2% of total variance. At the same time, need assessment, annual procurement plan, procurement specification, tendering process, supplier's negotiation, contract selection & award, standard of auditing, after

procurement service, and risk management demonstrated the positive relationship with good governance in procurement (SoGGP). On the other hand, proper approval, sufficiency of budget, monitoring & supervision, inventory management, and bill payment showed the negative relation with good governance in procurement (SoGGP).

Table 6.19: Coefficients^a results of procurement practices variables on SoGGP for GP

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.319	.508		2.595	.021
	Need Assessment	.144	.098	.236	1.469	.164
	Annual Procurement Plan	.089	.107	.142	.831	.420
	Proper Approval	-.122	.099	-.192	-1.227	.240
	Sufficiency of Budget	-.171	.081	-.281	-2.106	.054
	Procurement Specification	.058	.097	.110	.592	.563
	Tendering Process	.013	.092	.021	.138	.892
	Suppliers Negotiation	.018	.122	.029	.150	.883
	Contract Selection & Award	.106	.122	.121	.870	.399
	Monitoring & Supervision	-.118	.114	-.176	-1.032	.320
	Inventory Management	-.126	.139	-.168	-.906	.380
	Standard of Auditing	.124	.082	.271	1.498	.156
	After Procurement Service	.198	.107	.256	1.852	.085
	Evaluation of Procurement	.332	.102	.582	3.255	.006
	Risk Management	.194	.105	.322	1.847	.086
	Bill Payment	-.051	.052	-.141	-.985	.341

a. Dependent Variable: GOOD GOVERNANCE IN PROCUREMENT

6.3. Good Governance in Procurement: Data Analysis and Results

The scenario of good governance in procurement has been measured by eight indicators. These are rules & regulations, procurement policies, open & fair competition, attenuation of corruption, media & civil society engagement, resolution of complaints, transparency & accountability, and free from political influence. In this study, the good governance in procurement was treated an intermittent variable leads to quality procurement for a procurement process. In this analysis, gap observation, correlation, and regression coefficients measurement have been examined.

6.3.1 Descriptive Statistics

In Table 6.20, it has been shown the mean value and standard deviation for the indicators of the scenario of good governance in procurement for a sustainable quality procurement process. This also has indicated how the gap for reaching a level of quality procurement. The highest mean value of the computed item was 3.87 with 0.67 standard deviation for 'free from political influence'. The other mean values have approached to the range of 3 to 4 which stand effective level of good governance in procurement in Bangladesh Betar.

Table 6.20: Descriptive Statistics for Good Governance in Procurement for BB

Variables	N	Mean \pm Std. Deviation
Rules & Regulations	30	3.73 \pm 0.47
Procurement Policies	30	3.53 \pm 0.52
Open and Fair Competition	30	3.22 \pm 0.41
Attenuation of Corruption	30	2.45 \pm 0.50
Media and Civil Society Engagement	30	2.40 \pm 0.62
Resolution of Complaints	30	2.52 \pm 0.48
Transparency and Accountability	30	3.03 \pm 0.69
Free from Political Influence	30	3.87 \pm 0.67

In case of Grameenphone Limited, it has shown from Table 6.21 that the highest mean value was measured for 'rules & regulations' scored 4.48 with 0.58 standard deviation. In line with this, other mean values were very slam to level 5 that means the stage of good governance in procurement observed in Grameenphone Limited is very effective.

Table 6.21: Descriptive Statistics for Good Governance in Procurement for GP

Variables	N	Mean \pm Std. Deviation
Rules & Regulations	30	4.48 \pm 0.58
Procurement Policies	30	4.45 \pm 0.56
Open and Fair Competition	30	4.42 \pm 0.40
Attenuation of Corruption	30	4.45 \pm 0.62
Media and Civil Society Engagement	30	3.03 \pm 0.90
Resolution of Complaints	30	4.12 \pm 0.64
Transparency and Accountability	30	4.30 \pm 0.97
Free from Political Influence	30	3.78 \pm 0.68

6.3.2 Gap Analysis in between Bangladesh Betar and Grameenphone Limited

The curve form in Figure 6.15 has demonstrated the gaps in the category of good governance in procurement between Bangladesh Betar and Grameenphone Limited. This was measured by the mean values of good governance attributes for both organizations. The eight indicators are representing the scenario of good governance in the process and implementing procurement activities. In the figure, it is clearly observed that the level of eight indicators for Grameenphone Limited is very near to point 5, so it can be drawn the very effective level of governance practice in procurement implementations. However, the curve has showed the average point is just above point 3 for Bangladesh Betar. And hence, it is recommended a rigorous improvement in practicing good governance in the procurement process for Bangladesh Betar, and a bit of promotional activities have to be taken for Grameenphone Limited.

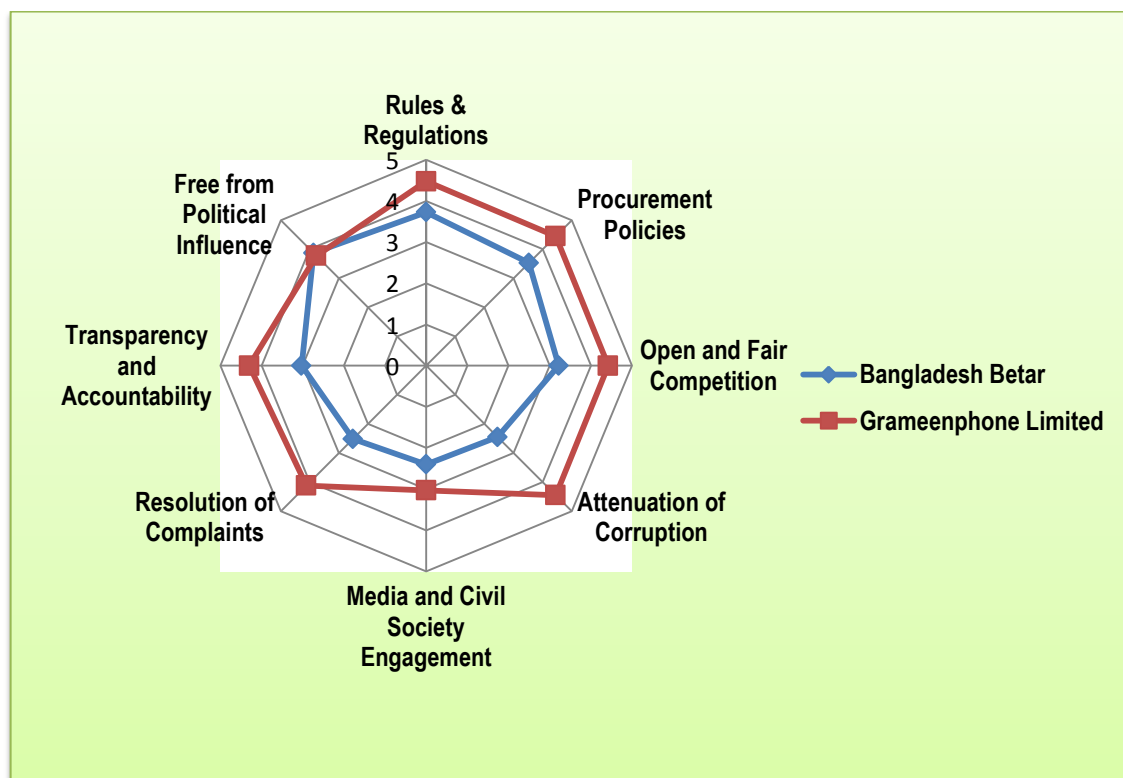


Figure 6.15: Gaps in good governance in procurement between BB and GP

6.3.3 Pearson Correlation

The Pearson Correlation was conducted to understand the relationship among the indicators of the scenario of good governance in procurement variable with the status of quality procurement for Bangladesh Betar and Grameenphone Limited. Most of the variables of procurement practices have illustrated noteworthy relation with each other

(Table 6.22 & 6.23). The Pearson Correlation results recommended that variables were explained with higher correlation coefficient.

Table 6.22: Pearson Correlation among indicators of SoGGP with SoQP for BB

	RR	PP	OFC	AC	MCSE	RC	TA	FPI	SoQP
Rules & Regulations	1								
Procurement Policies	-.173	1							
Open and Fair Competition	.177	.046	1						
Attenuation of Corruption	.015	.106	.352	1					
Media and Civil Society Engagement	.142	.222	.394*	.290	1				
Resolution of Complaints	-.056	-.105	.419*	.363*	.265	1			
Transparency and Accountability	-.078	.139	.430*	.055	.308	.411*	1		
Free from Political Influence	-.035	.087	-.080	.135	.029	.114	-.120	1	
QUALITY PROCUREMENT	.022	.253	.447*	.416*	.583**	.568**	.421*	.130	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.23: Pearson Correlation among indicators of SoGGP with SoQP for GP

	RR	PP	OFC	AC	MCSE	RC	TA	FPI	SoQP
Rules & Regulations	1								
Procurement Policies	.711**	1							
Open and Fair Competition	.633**	.329	1						
Attenuation of Corruption	.333	.462*	.439*	1					
Media and Civil Society Engagement	-.082	.055	.153	.173	1				
Resolution of Complaints	.308	.568**	-.062	.124	.248	1			
Transparency and Accountability	.162	.360	.000	.326	.275	.512**	1		
Free from Political Influence	.407*	.332	.219	.117	.041	.100	-.055	1	
QUALITY PROCUREMENT	.564**	.598**	.302	.648**	.129	.430*	.450*	-.014	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

6.3.4 Regression Coefficients

In Table 6.24, the regression coefficients has exposed that quality procurement is highly positive and significant relationship with resolution of complaints and it showed the highest 37.5% of total variance. Along with, rules & regulations, procurement policies, open and fair competition, attenuation of corruption, media and civil society engagement, transparency and accountability, free from political influence demonstrated the positive relationship with quality procurement (SoPP) for Bangladesh Betar. There is no indicator that negative relation with quality procurement.

Table 6.24: Coefficients^a results of SoGPP variables on SoQP for BB

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-.167	.879		-.190	.851
	Rules & Regulations	.023	.134	.026	.174	.863
	Procurement Policies	.147	.123	.182	1.191	.247
	Open and Fair Competition	.054	.184	.052	.291	.774
	Attenuation of Corruption	.107	.137	.127	.782	.443
	Media and Civil Society Engagement	.234	.110	.345	2.125	.046
	Resolution of Complaints	.328	.155	.375	2.118	.046
	Transparency and Accountability	.071	.105	.117	.675	.507
	Free from Political Influence	.040	.092	.063	.437	.667

a. Dependent Variable: QUALITY PROCUREMENT

In Table 6.25, the regression coefficients has exposed that quality procurement (SoQP) is highly positive and significant relationship with rules and regulations, and it showed the highest 67.3% of total variance. Along with, attenuation of corruption, media and civil society engagement, transparency and accountability, and resolution of complaints demonstrated the positive relationship with quality procurement (SoQP) for Grameenphone Limited while procurement policies, open and fair competition, and free from political influence showed the negative relation with quality procurement (SoQP).

Table 6.25: Coefficients^a results of SoGPP variables on SoQP for GP

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	2.093	.677		3.094	.005
	Rules & Regulations	.479	.165	.673	2.899	.009
	Procurement Policies	-.039	.156	-.053	-.248	.807
	Open and Fair Competition	-.306	.195	-.293	-1.572	.131
	Attenuation of Corruption	.369	.100	.555	3.698	.001
	Media and Civil Society Engagement	.043	.062	.095	.699	.492
	Resolution of Complaints	.088	.110	.136	.802	.432
	Transparency and Accountability	.028	.062	.067	.460	.650
	Free from Political Influence	-.173	.079	-.285	-2.197	.039

a. Dependent Variable: QUALITY PROCUREMENT

6.4 Quality Procurement: Data Analysis and Results

In the way of analysis, quality procurement was analyzed by the independent variable procurement practices with multi-dimensional aspects and intermittent variable good governance in procurement with its significant attributes. The main focus is emphasized on the comparative studies between public and private entities at all variables to the goal of quality procurement.

6.4.1 Descriptive Statistics

The Table 6.26 represented the mean value and standard deviation for the indicators of quality procurement scenario for Bangladesh Betar. The highest mean value of the measured items was 2.70 with 0.65 standard deviation for ‘capacity of procurement department & management’. The other values in the descriptive statistics for quality procurement in Bangladesh Betar indicated the moderate level.

Table 6.26: Descriptive Statistics for Quality Procurement for BB

Variables	N	Mean \pm Std. Deviation
Value for Money (VfM)	30	2.67 \pm 0.52
Ethics and Values (EV)	30	2.67 \pm 0.64
Qualified Professionals (QP)	30	2.49 \pm 0.53
Capacity of Procurement Dept. & Mgt. (CPDM)	30	2.70 \pm 0.65

The Table 6.27 demonstrated the mean value and standard deviation for the indicators of quality procurement scenario for Grameenphone Limited. The highest mean value of the measured items was 4.48 with 0.50 standard deviation for ‘ethics and values’. The other values in the descriptive statistics for quality procurement in Grameenphone Limited pointed out the almost very good level.

Table 6.27: Descriptive Statistics for Quality Procurement for GP

Variables	N	Mean \pm Std. Deviation
Value for Money (VfM)	30	4.42 \pm 0.55
Ethics and Values (EV)	30	4.48 \pm 0.50
Qualified Professionals (QP)	30	4.12 \pm 0.51
Capacity of Procurement Dept. & Mgt. (CPDM)	30	4.27 \pm 0.51

6.4.2 Gap Analysis in between Bangladesh Betar and Grameenphone Limited

The curve form in Figure 6.16 has demonstrated the gaps in the kind of quality procurement status in procurement between Bangladesh Betar and Grameenphone Limited. This was measured by the mean values of quality procurement attributes for both organizations. The four attributes are representing the status of quality procurement in the process and implementing procurement activities. In the figure, it is clearly understood that the level of four indicators for Grameenphone Limited is very near to point 5, so it can be drawn the very good level of quality procurement status in procurement implementations. However, the curve has showed the average point is just above point 2 for Bangladesh Betar. And thus, it is recommended a rigorous improvement in enhancing quality procurement practice for Bangladesh Betar, and a bit of improvement activities has to be taken for Grameenphone Limited.

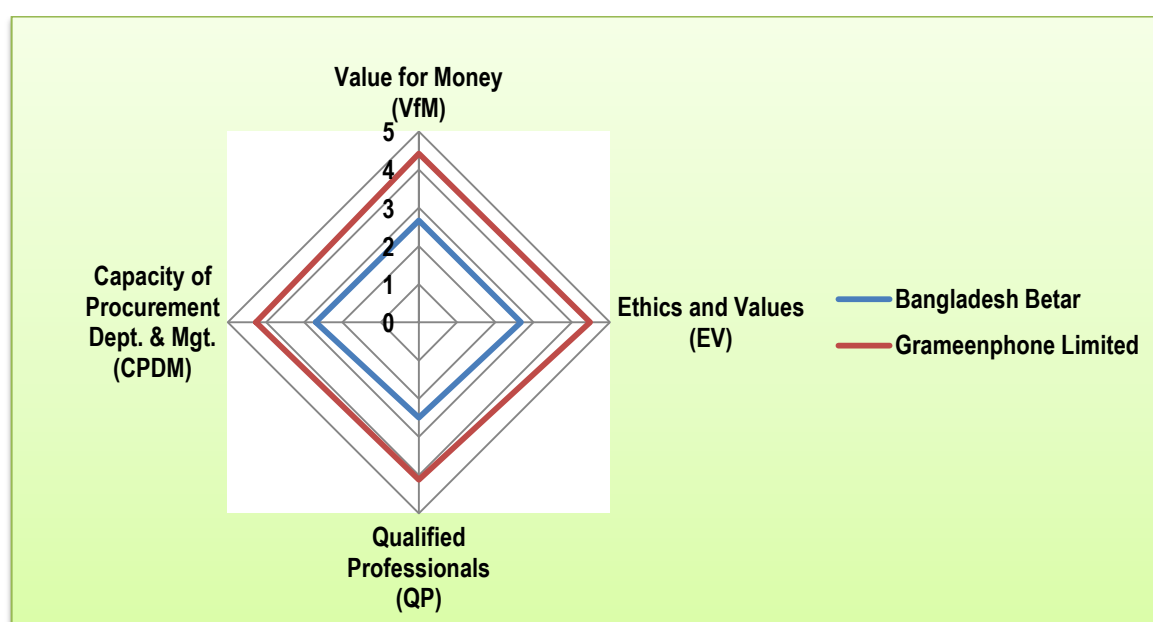


Figure 6.16: Gaps in quality procurement indicators between BB and GP

6.4.3 Pearson Correlation

The Pearson Correlation was considered to find out the relationship among the attributes of procurement practices with the quality procurement (Table 6.28 & 6.29). Most of the variables of procurement practices were significant with quality procurement. The correlation results recommended that the indicators were explained with higher correlation coefficients for Grameenphone Limited than Bangladesh Betar.

Table 6.28: Pearson Correlation among indicators of SoPP with SoQP for BB

	NA	APP	PA	SB	PS	TP	SN	CSA	MS	IM	SA	APS	EP	RM	BP	SoQP
Need Assessment	1															
Annual Procurement Plan	.236	1														
Proper Approval	.216	-.024	1													
Sufficiency of Budget	.021	.069	.440*	1												
Procurement Specification	.175	-.003	.070	.230	1											
Tendering Process	.034	.118	.297	.394*	.061	1										
Suppliers Negotiation	-.173	.199	.174	.524**	.219	.064	1									
Contract Selection and Award	.000	-.013	.023	-.270	-.126	-.113	-.252	1								
Monitoring & Supervision	.055	.336	.199	.065	.154	.277	.115	.160	1							
Inventory Management	-.036	.051	.374*	.552**	.139	.325	.531**	-.125	.095	1						
Standard of Auditing	-.023	.168	.292	.486**	.279	.150	.699**	-.236	.228	.465**	1					
After Procurement Service	.179	.367*	.399*	.434*	.219	.195	.425*	-.156	.293	.185	.465**	1				
Evaluation of Procurement	.016	.293	.098	.274	.029	.147	.458*	-.008	.252	.578**	.202	.227	1			
Risk Management	-.100	.147	.265	.364*	.090	.316	.389*	-.029	.210	.271	.393*	.135	.323	1		
Bill Payment	-.042	-.132	-.109	.104	-.203	.140	-.164	.294	-.054	-.235	-.081	.107	-.296	.236	1	
Quality Procurement	.128	.303	.296	.534**	.107	.305	.512**	.011	.348	.616**	.586**	.625**	.536**	.148	-.059	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.29: Pearson Correlation among indicators of SoPP with SoQP for GP

	NA	APP	PA	SB	PS	TP	SN	CSA	MS	IM	SA	APS	EP	RM	BP	SoQP
Need Assessment	1															
Annual Procurement Plan	.376*	1														
Proper Approval	.383*	-.041	1													
Sufficiency of Budget	.188	.356	.345	1												
Procurement Specification	.192	.464**	.324	.150	1											
Tendering Process	.101	.282	.134	.151	.309	1										
Suppliers Negotiation	.267	.217	.388*	.226	.333	.565**	1									
Contract Selection & Award	.225	.113	.367*	.280	.246	.526**	.426*	1								
Monitoring & Supervision	.378*	.338	.385*	.136	.523**	.351	.458*	.396*	1							
Inventory Management	.442*	.256	.223	.247	.351	.413*	.656**	.478**	.432*	1						
Standard of Auditing	.532**	.130	.454*	.273	.304	.470**	.585**	.410*	.528**	.478**	1					
After Procurement Service	.221	.204	.280	.351	.413*	.281	.342	.509**	.399*	.423*	.374*	1				
Evaluation of Procurement	.169	.200	.023	.163	.015	.476**	.526**	.325	.525**	.455*	.434*	.074	1			
Risk Management	.440*	.065	.436*	.189	.452*	.400*	.453*	.363*	.462*	.643**	.612**	.266	.275	1		
Bill Payment	.158	.366*	.031	.073	.459*	.287	.018	.166	.334	.126	.318	.092	.300	.199	1	
Quality Procurement	.374*	.003	.396*	.206	.094	.364*	.575**	.689**	.369*	.536**	.739**	.460*	.465**	.384*	.130	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

6.4.4 Regression Coefficients

In Table 6.30, the regression coefficients explained that quality procurement was highly positive and significant relationship with after procurement service and it showed the highest 45.7% of total variance for Bangladesh Betar. Along with, need assessment, sufficiency of budget, tendering process, contract selection & award, monitoring & supervision, inventory management, standard of auditing, and evaluation of procurement

demonstrated the positive relationship with quality procurement (SoQP). On the other hand, annual procurement plan, proper approval, procurement specification, supplier's negotiation, and risk management showed the negative relation with quality procurement (SoQP).

Table 6.30: Coefficients^a Results of SoPP variables on Quality Procurement in BB

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.489	1.003		.487	.633
	Need Assessment	.075	.099	.103	.755	.463
	Annual Procurement Plan	-.041	.119	-.053	-.347	.734
	Proper Approval	-.165	.130	-.240	-1.262	.228
	Sufficiency of Budget	.181	.148	.225	1.222	.242
	Procurement Specification	-.107	.091	-.165	-1.185	.256
	Tendering Process	.057	.084	.098	.680	.508
	Suppliers Negotiation	-.075	.141	-.109	-.531	.604
	Contract Selection & Award	.180	.111	.241	1.623	.127
	Monitoring & Supervision	.072	.101	.101	.715	.487
	Inventory Management	.192	.120	.318	1.608	.130
	Standard of Auditing	.302	.161	.360	1.876	.082
	After Procurement Service	.286	.123	.457	2.331	.035
	Evaluation of Procurement	.134	.134	.198	1.003	.333
	Risk Management	-.118	.121	-.172	-.976	.346
	Bill Payment	-.082	.182	-.088	-.452	.658

a. Dependent Variable: QUALITY PROCUREMENT

In Table 6.31, the regression coefficients explained that quality procurement was highly positive and significant relationship with standard of auditing and it showed the highest 73% of total variance for Grameenphone Limited. Similarly, annual procurement plan, proper approval, supplier's negotiation, contract selection & award, inventory management, after procurement service and evaluation of procurement demonstrated the positive relationship with quality procurement (SoQP). On the other hand, need assessment, sufficiency of budget, procurement specification, tendering process, risk management and bill payment showed the negative relation with quality procurement (SoQP).

Table 6.31: Coefficients^a Results of SoPP variables on Quality Procurement in GP

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.436	.533		2.693	.018
	Need Assessment	-.066	.103	-.103	-.646	.529
	Annual Procurement Plan	.053	.113	.079	.468	.647
	Proper Approval	.093	.104	.139	.898	.385
	Sufficiency of Budget	-.131	.085	-.203	-1.536	.147
	Procurement Specification	-.049	.102	-.089	-.484	.636
	Tendering Process	-.189	.096	-.291	-1.959	.070
	Suppliers Negotiation	.023	.128	.034	.176	.863
	Contract Selection & Award	.478	.128	.514	3.726	.002
	Monitoring & Supervision	-.185	.120	-.260	-1.544	.145
	Inventory Management	.144	.146	.181	.985	.341
	Standard of Auditing	.353	.087	.730	4.077	.001
	After Procurement Service	.108	.112	.132	.969	.349
	Evaluation of Procurement	.148	.107	.244	1.378	.190
	Risk Management	-.114	.110	-.178	-1.034	.318
	Bill Payment	-.020	.054	-.053	-.373	.715

a. Dependent Variable: QUALITY PROCUREMENT

6.5 Enhancement of the Level of Quality Procurement

The attempt of the study is to the method and way of finding the quality procurement status between the Bangladesh Betar and Grameenphone Limited. According to have the results of mean values of indicators of quality procurement attributes, it was calculated the percentage of the level of indicators. It was treated the optimum value point 5 and thus it was 100%. And the Figure has revealed the level of quality procurement for both organizations in percentages. The figure has demonstrated that the level of quality procurement for four indicators for Grameenphone Limited was very near to optimum level while Bangladesh Betar was half of the desired level (Figure 6.17).

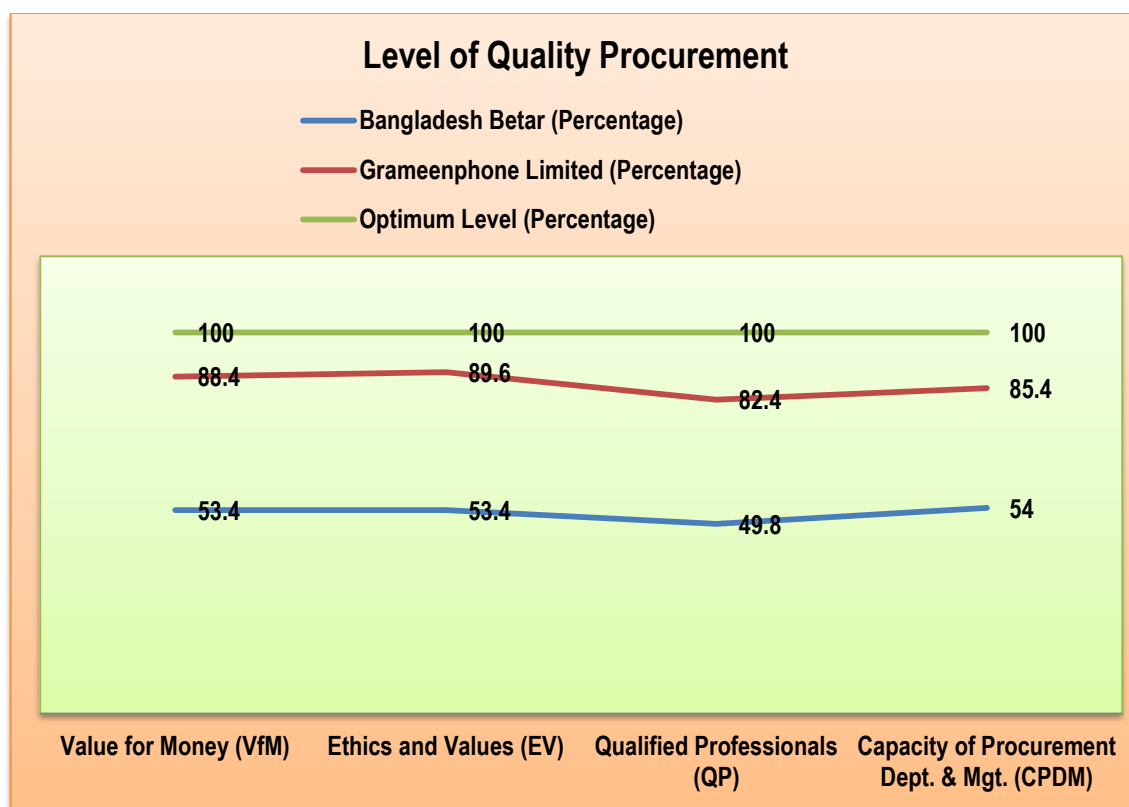


Figure 6.17: Enhancement of the Level of Quality Procurement

Table 6.32: Quality Procurement Existing Level

Quality Procurement Indicators	Bangladesh Betar (Percentage)	Grameenphone Limited (Percentage)	Optimum Level (Percentage)
Value for Money (VfM)	53.4	88.4	100
Ethics and Values (EV)	53.4	89.6	100
Qualified Professionals (QP)	49.8	82.4	100
Capacity of Procurement Dept. & Mgt. (CPDM)	54	85.4	100

Table 6.33: Quality Procurement Enhancement Level

Quality Procurement Indicators	Bangladesh Betar (Percentage to be Enhanced)	Grameenphone Limited (Percentage to be Enhanced)
Value for Money (VfM)	46.6	11.6
Ethics and Values (EV)	46.6	10.4
Qualified Professionals (QP)	50.2	17.6
Capacity of Procurement Dept. & Mgt. (CPDM)	46	14.6

The Table 6.33 has figured out that the gap between the level of optimum and level of existence for Bangladesh Betar for all indicators was almost 50%. So it is in need of 50% enhancement for each indicator on an average of 50%. On the other hand, Grameenphone Limited needs to enhance approximately 12%.

6.6 Key Informant Interviews: Discussions and Opinions

The challenges and subsequent suggestions are shown here for asking the key informants from various institutions. They have asked several questions as Appendix B. Accordingly the researched has got these challenges and suggestions.

6.6.1 Quality Procurement: Challenges and Suggestions

The manner of analysis of the study is to find the ultimate status of procurement system in Bangladesh. According to the way of conducting research, the study covers a major portion of quantitative data collection and analysis. A least segment of the study is on the qualitative views of previous secondary data, directives of journals, procuring agencies, renowned personalities in the field of procurement, sourcing, logistics and supply chain management in local and global avenues. In this study, three major variables were considered to understand the overall status of procurement process in typical public and private organizations in Bangladesh. Quantitative results tell that a gradual improvement is being done in the both procurement practices in Bangladesh. However, a number of challenges and suggestions for sustainable quality procurement practices were drawn by the key informant interviews in classified sectors. In Appendix B, there were asked several questions regarding challenges, prospects and suggestions. The further challenges and suggestions were accommodated in this research report.

6.6.2 Major Challenges for Quality Procurement

The study has emphasized to understand and reveal the existing and further challenges, shortcomings, suggestions and implications from procurement practices to quality procurement system by asking some specific questions in informal interviews to the related officials of Bangladesh Betar, Grameenphone Limited, the director general of CPTU, project officials of the Public Procurement Reform Project with IDA, World Bank assistance in the CPTU, Bangladesh and some famous professors of BRAC University and the University of Dhaka. In this research, the questions were solicited to 20 persons. The disclosed challenges are plotted in the below:

1. Absence of sound legal framework governing public sector procurement
2. Complex bureaucratic procedure causing delay
3. Absence of planning
4. Multiple layers in the approval and review process
5. Lack of adequate professional competence of staff to manage procurement
6. Generally poor quality bidding documents and bid evaluation
7. Ineffective administration of contracts
8. Absence of adequate mechanism for ensuring transparency and accountability
9. Political influences
10. Proper infrastructure e-procurement
11. Administrative and financial corruption
12. Combating Risks in procurement process
13. Proper monitoring and supervision
14. Sufficiency of budget
15. Need assessment with specifications
16. Lack of collaboration of associated agencies

Discussing with the officials, professionals and academicians of different institutions the researcher has found invaluable comments and opinions regarding quality procurement practices in Bangladesh. Accumulating all discussions and opinions it has drawn a speculation that Bangladesh Betar needs 40% of increment of procurement activities to combat the various challenges to reach desired quality procurement while for Grameenphone Limited it requires 15% (Figure 6.18).

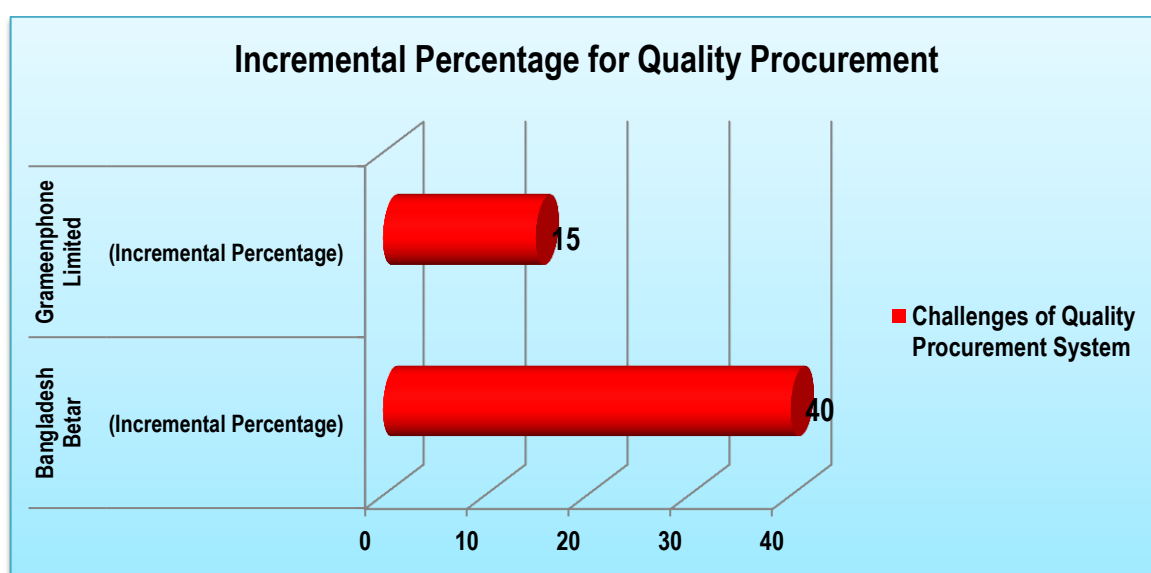


Figure 6.18: Incremental Percentage for Quality Procurement in BB and GP.

6.6.3 Reasonable Suggestions for Quality Procurement

Challenges are always present in establishing the quality procurement practices in both organizations – Bangladesh Betar and Grameenphone Limited. The personalities have raised their some suggestions and propositions for quality procurement while asking the questions. In opposition to challenges associated in the procurement process the suggestions are depicted in the figure below:

1. Citizen engagement in procurement process
2. Ensuring freedom to the procurement professionals
3. Firm association among the agencies
4. Feedback from beneficiaries
5. Implementing e-procurement system
6. Strong vendor relationship
7. Equal treatment to bidders
8. Accountable administrative and financial system
9. Maintaining procurement and sourcing guidelines
10. Reform of procurement rules and acts

6.7 Key Results: Correlation Analysis

The Pearson Correlation was estimated to get the relationship among three principal variables like procurement practices, good governance in procurement and quality procurement, and to establish the extent of their correlation. The results have shown a direct relationship among the key indicators. The matrix of the independent, intermittent and dependent variables is a methodology in the procurement working tools to sustain a sustainable quality procurement practices.

Table 6.34: Correlation Template among Principal Variables

Principal Variables	SoPP	SoGGP	SoQP
Procurement Practices	1		
Good Governance in Procurement	.931**	1	
Quality Procurement	.931**	.914**	1

**, Correlation is significant at the 0.01 level (2-tailed).

6.8 Hypotheses Results

Hypothesis-1: The optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices attributes.

This hypothesis was developed to estimate whether optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices. The Table demonstrates the mean values and results of chi-square.

Table 6.35: Results of Mean Values and Chi-Square Test

Variables	Mean \pm SD	Chi-Square	df	Sig.
Need Assessment	3.95 \pm 0.66	15.60	5	.008
Annual Procurement Plan	3.76 \pm 0.61	10.83	4	.029
Proper Approval	3.87 \pm 0.79	11.60	5	.041
Sufficiency of Budget	3.35 \pm 1.06	07.47	7	.382
Procurement Specification	3.58 \pm 0.89	32.00	7	.000
Tendering Process	3.83 \pm 0.84	09.60	5	.087
Suppliers Negotiation	3.43 \pm 1.19	14.13	7	.049
Contract Selection & Award	4.14 \pm 0.68	14.80	5	.011
Monitoring & Supervision	3.38 \pm 0.99	21.07	7	.004
Inventory Management	3.31 \pm 1.14	08.80	7	.267
Standard of Auditing	3.19 \pm 1.20	13.33	7	.064
After Procurement Service	3.26 \pm 1.01	05.33	6	.502
Evaluation of Procurement	3.23 \pm 1.11	08.00	7	.333
Risk Management	2.96 \pm 1.22	11.70	8	.165
Bill Payment	3.93 \pm 0.82	18.17	6	.006

The mean values 2.96 to 4.14 illustrate that the optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited are fairly positive to effective procurement practices tools. The chi-square test designates that the variables are dependent on each other in the case of Bangladesh Betar and Grameenphone Limited. Among fifteen indicators, only five have the value of significance less than 0.05 and the rest ten variables have more than 0.05 significance value. Therefore, this result does not support hypothesis 1.

Hypothesis-2: Procurement Practices have a positive role on promoting good governance in procurement in Bangladesh Betar and Grameenphone Limited.

This hypothesis was attempted to categorize differences between the mean values of the considered major variables of scenario of procurement practices and the good governance in procurement for Bangladesh Betar and Grameenphone Limited. The Table

shows the outcomes of paired sample t-test whereas the Table explains the regression model summary with analysis of variance (ANOVA) for procurement practices with good governance level in procurement. The t-test results have demonstrated that procurement practices has a positive (0.931) and significant relationship with quality procurement (p value $0.000 < 0.05$).

Table 6.36: Result of Paired Sample T-Test Statistics

		N	Mean	Correlation	Sig.
Pair 1	PROCUREMENT PRACTICES	60	3.54	.931	.000
	GOOD GOVERNANCE	60	3.61		

The Table has showed that procurement practices have a highly positive (0.955) and significant (p value $0.000 < 0.05$) role on the scenario of good governance in procurement. For that reason, this result supports hypothesis 2.

Table 6.37: Regression Model Summary and Analysis of Variance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.955 ^a	.913	.883	.21165	30.658	.000 ^a

a. Predictors: (Constant), SoPPBP, SoPPSB, SoPPNA, SoPPAPP, SoPPCSA, SoPPTP, SoPPPS, SoPPPA, SoPPEP, SoPPAPS, SoPPRM, SoPPMS, SoPPSA, SoPPIM, SoPPSN

b. Dependent Variable: GOOD GOVERNANCE

Hypothesis-3: Procurement Practices is positively related with quality procurement attributes in Bangladesh Betar and Grameenphone Limited.

This hypothesis was endeavored to categorize differences between the mean values of the considered major variables of scenario of good governance in procurement and quality procurement for Bangladesh Betar and Grameenphone Limited. The Table shows the results of paired sample t-test whereas the Table explains the regression model summary with analysis of variance (ANOVA) for good governance with the status of quality procurement (Table 6.38). The t-test results have confirmed that good governance has a positive (0.931) and significant relationship with quality procurement (p value $0.000 < 0.05$).

Table 6.38: Result of Paired Sample T-Test Statistics

		N	Mean	Correlation	Sig.
Pair 1	GOOD GOVERNANCE	60	3.61	.931	.000
	QUALITY PROCUREMENT	60	3.48		

The Table 6.39 has illustrated that the scenario of good governance has a highly positive (0.972) and significant (p value $0.000 < 0.05$) relation with the status of quality procurement. Consequently, this result supports hypothesis 3.

Table 6.39: Regression Model Summary and Analysis of Variance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.972 ^a	.946	.927	.25613	50.954	.000 ^a

a. Predictors: (Constant), SoPPBP, SoPPSB, SoPPNA, SoPPAPP, SoPPCSA, SoPPTP, SoPPPS, SoPPPA, SoPPEP, SoPPAPS, SoPPRM, SoPPMS, SoPPSA, SoPPIM, SoPPSN

b. Dependent Variable: QUALITY PROCUREMENT

Table 6.40: Summary of Research Hypotheses Results

Objective-1	:	To know and compare the effectiveness of procurement practices for public and private organizations.
Hypothesis-1	:	The optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices attributes.
Result-1	:	Rejected
Objective-2	:	To assess the scenario of good governance to the way of quality procurement for both agencies.
Hypothesis-2	:	Procurement Practices have a positive role on promoting good governance in Procurement in Bangladesh Betar and Grameenphone Limited.
Result-2	:	Accepted
Objective-3	:	To promote the good governance practice to make feasible to quality procurement.
Hypothesis-3	:	Procurement practices are positively related with quality procurement attributes in Bangladesh Betar and Grameenphone Limited.
Result-3	:	Accepted

Chapter 7

Conclusion

7.1 Summary of the Study

7.2 Suggested Outline of Procurement Practices to Quality Procurement

7.3 Proposed Model of Procurement Practices to Quality Procurement

7.4 Quality Procurement for further Research

7. Conclusion

In conclusion, it presents an inclusive summary of the overall analysis and study of the research for both organizations under targeted populations. The dissertation has visualized the comparative scenario of the procurement practices, status of good governance in procurement process and to the systematic way of quality procurement in Bangladesh. It also affords the key summary among the indicators under different variables for organizations. In addition, it provides the key challenges for sustaining quality procurement practices, and synopsis results of hypothesis findings along with offers an outline for future research in search of quality procurement through the immediate outcomes of procurement practices and ensuring good governance exercise in public and private organizations.

7.1 Summary of the Study

The objective of the research is to study the procurement practices, good governance scenario and the status of quality procurement practices in between a public entity and a private entity. Under the study, Bangladesh Betar was considered for public and Grameenphone Limited for private entity.

For understanding the scenario of procurement practices it was regarded a cluster of indicators for both organizations. It was recommended while outlining analytical framework and hypothesis development that the optimum success of procurement processes in Bangladesh Betar and Grameenphone Limited is positively related with effective procurement practices tools. But at the end of analysis, this assumption was not validated. Though some indicators had significant results but other indicators did not show the optimum level of success. The fifteen indicators had to be assumed under major variable – procurement practices to promote the good governance in the procurement process to the way of ultimate quality procurement but these all were not inline simultaneously. In addition, in search of the comparative study between BB and GP for procurement practices tools, it was quite evident the mean values for Grameenphone Limited were more significant than Bangladesh Betar. For this reason, more emphasis should be needed for the attributes of procurement practices in Bangladesh Betar or some other important attributes may be rearranged under the principal variable. In the case of Grameenphone Limited it needs a slight increment of effectiveness of the tools of procurement practices variable.

Good governance in procurement was the cascade variable in between prime independent and dependent variables. More importantly, the intermittent variable – good governance in procurement is a prerequisite to reach the critical level of quality procurement. It was suggested in the hypothesis that procurement practices has a positive role on promoting good governance in implementing procurement in Bangladesh Betar and Grameenphone Limited. And this assumption has been made valid through correlation and regression analysis. The difference between the levels of effectiveness for both agencies for the indicators of good governance practice, Grameenphone Limited was more effective than Bangladesh Betar like before. Therefore, Bangladesh Betar necessitates some improvements in procurement practices tools.

Establishing and sustaining quality procurement practices is the ultimate strategic objective of the study. Under the jurisdiction of major variable – quality procurement, the four practical and prioritized tools were value for money (VfM), ethics and values (EV), qualified professionals (QP), and capacity of procurement department and management (CPDM). Again all four indicators had showed the very level for Grameenphone Limited while Bangladesh Betar had showed moderate level. The developed hypothesis, procurement practices is positively related with quality procurement attributes for both organizations was again accepted. Individually, Grameenphone Limited was practicing more quality procurement activities compare to Bangladesh Betar. Parallel with other major variables, Bangladesh Betar needs rigorous incremental changes to perform the matters related to quality procurement.

7.2 Suggested Outline of Procurement Practices to Quality Procurement

The framework for a procurement process is important for the level of risk for corruption, and a transparent, accountable and well managed structure will mitigate the risks. The overarching picture is made up of five main points. First, legislation which covers the entire procurement cycle and all the involved actors creates the overall framework for how to operate. Second, institutional and administrative infrastructure in the country poses restrictions on how to structure the procurement process. Ideally staff roles should be clearly separated between financial and procurement authorities to ensure propriety. Third, effective review and remedies systems are necessary to detect and correct irregularities. Fourth, independent internal control systems are crucial to

strengthen integrity and detect corruption or fraud. Fifth, external audit and oversight offers the last independent check done by a supreme audit institution.

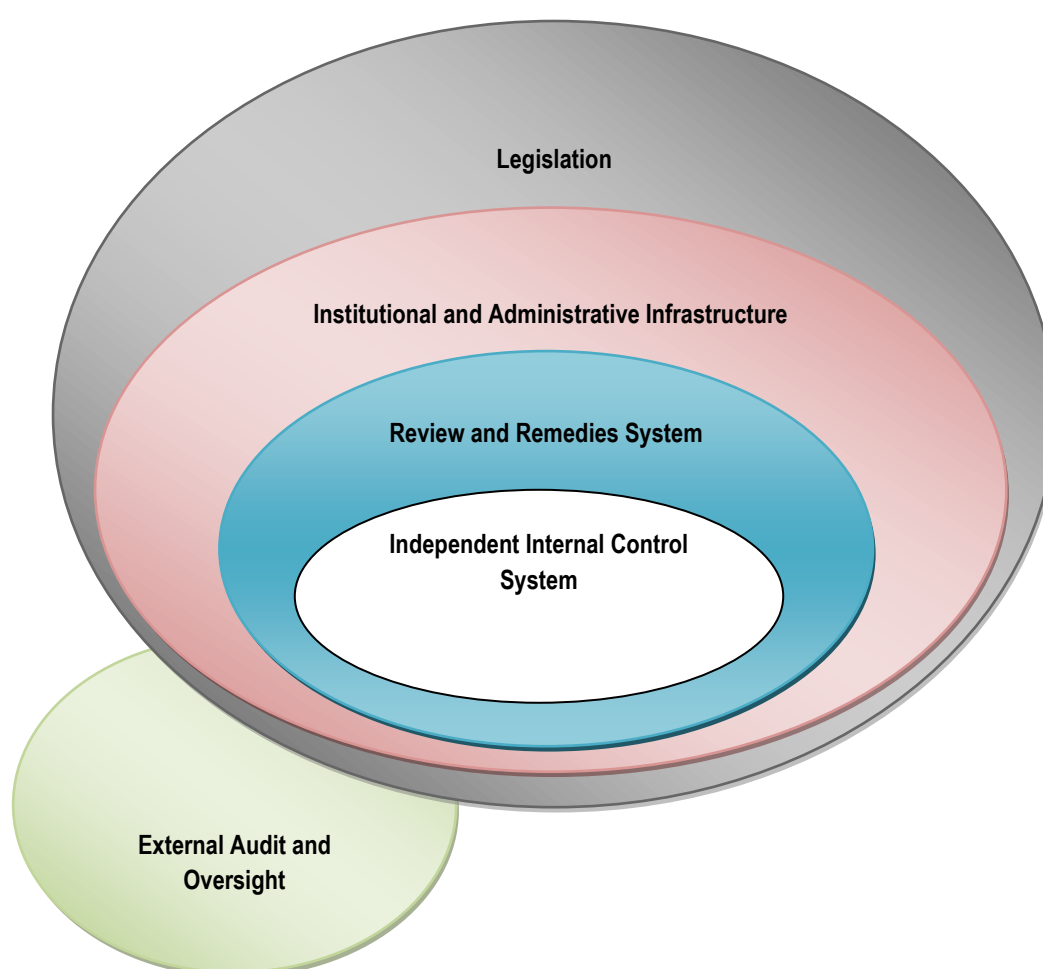


Figure 7.1: Framework for quality procurement on the basis of OECD Toolbox¹⁴

Source: OECD Procurement Framework Toolbox, 2009

The five elements presented above create the general framework for a procurement process. In many countries the real situation is that the procurement officer has to operate within a framework where risks of corruption are heightened because of weaknesses in the general framework of the country, and/or the sector/organization the officer is working within. Examples of weaknesses can be inadequate legislation or weak execution of existing laws and corrupt auditing officers.

¹⁴ Figure created by the authors based on the OECD Toolbox for enhancing integrity in procurement draft version 2009

7.3 Proposed Model of Procurement Practices to Quality Procurement

The ultimate desire of the study is to know and establish a sustainable quality procurement system in different organizations in Bangladesh. To the way of searching quality in the procurement system, it has attempted the practice of a number of variables in the procurement operations and implementations in both public and private organizations in Bangladesh.

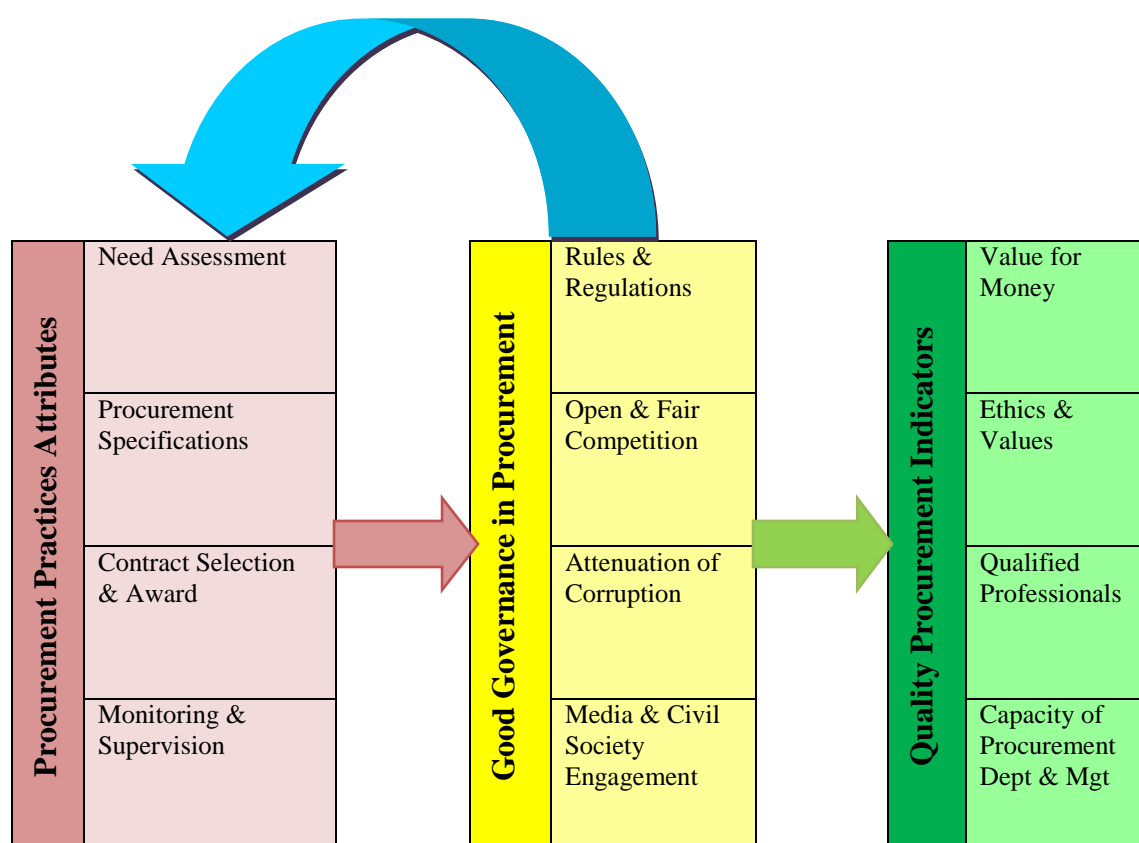


Figure 7.2: Proposed Model of Procurement Practices to Quality Procurement

In quest of quality procurement system in different organizations, at the operational activities may come first (Figure 7.2). And in this stage some indicators those are supposed to deal with in practical phenomenon regarded as procurement practices. After analyzing collected data, the results show that all the indicators under major variable ‘scenario of procurement practices’ are not significant for upholding the optimum success of procurement process for both organizations. Therefore, observing the mean values with standard deviation, correlation and regression analysis, and test of hypothesis, the study concludes with some substantial indicators those may enhance the

optimum results in the procurement practices. These are need assessment, procurement specifications, contract selection and award, and monitoring and supervision. In the proposed model of quality procurement these are composed for first hand operations in every organization for a successful end in the procurement disposal.

In the second stage of the conceptual and analytical frameworks of quality procurement, the research has discussed and analyzed eight attributes under prime variable ‘scenario of good governance in procurement’. Demonstrating and analyzing related data, it has found most significant level of scenery for good governance indicators. The role of good governance practice in all level of operations is tremendously correlated, even interrelated with each major variable. So, elements of good governance following in each stage of procurement process are obvious for optimum success and quality in procurement projects implementation. Understanding the cyclic role to improve the overall procurement system in various organizations the research brings to a close with some considerable attributes those may improve desired results to the leading of quality procurement practices. These noted attributes are rules and regulations, open and fair competition, attenuation of corruption, and media and civil society engagement. In the proposed model of quality procurement these are considered the mediatory operational tools in every organization for a successful conclusion in the procurement disposal.

In the final stage of proposed model for quality procurement, the indicators are being remained unchanged for those rigorous roles to visualize quality procurement practices in both public and private organizations.

7.4 Quality Procurement for further Research

The study has some definitive limitations that can indicate scopes for further research. In search of quality procurement, non-governmental organizations, non-state sector organizations, not for profit organizations may be included to know the mechanism and status of their overall procurement system. For more transparent and accountable procurement process, it needs the subtle engagement of civil society in all respects of procurement stages. The most desired outcomes of procurement may be achieved by the introducing electronic procurement system. It has a lot of benefits with certain challenges. In developing a quality procurement system, it will draw some attentions of prospects and challenges of electronic procurement implementations.

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Appendices

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Appendix 1: Survey Questionnaire



BRAC Institute of Governance and Development (BIGD)
BRAC University

Survey Questionnaire

Research Topic: [Quality Procurement: A Comparative Study between Public and Private Procurement Practices in Bangladesh]

The purpose of this research is to develop a quality procurement manual by understanding the comparative procurement practices in public and private agencies in Bangladesh. I, therefore, am requesting that you give me some basic information and your opinions by filling in the questionnaire. It is a part of academic necessity for the Master in Arts of Governance and Development (MAGD) in the BRAC Institute of Governance and Development (BIGD), BRAC University. Your honest response is valuable for the researcher. The researcher assures you that the information given by you will be kept confidential & will be used only for the academic purpose.

Section-I: Personal Details *[Please fill-up blank spaces]*

1. Name of Respondent (Not Mandatory):.....

2. Age (In Years):.....

3. Educational Qualification (Last Degree):.....

4. Type of Organization:

5. Occupation Status (Position & Rank):.....

6. Gender:

7. Relevant Length of Service (Years):

8. Name of Organization:.....

9. Have you received any specialized training on procurement?

Section II: Scenario of Procurement Practices

[Please put tick mark (✓) on respective box]

[Scale: 1 = Very Ineffective, 2 = Ineffective, 3 = As Usual, 4 = Effective, 5 = Very Effective]

Indicators of Procurement Practices	Measuring Scale				
1. Need Assessment					
a. Please rate the effectiveness of need assessment of procurement process in your organization.	1	2	3	4	5
b. In need assessment, how far do all criteria maintain in preparing procurement priority?	1	2	3	4	5
2. Annual Procurement Plan (APP)					
a. Please rate the extent of proper demand and necessity in preparing APP procurement activities.	1	2	3	4	5
b. Please rank the extent of APP application in performing procurement activities in your agency.	1	2	3	4	5
3. Proper Approval					
a. Please rate the extent of approval of documents of procurement by competent authority.	1	2	3	4	5
b. Please enumerate the level of maintaining criteria of approval for procurement functions.	1	2	3	4	5
4. Sufficiency of Budget					
a. Please mark the level of budget sufficiency in respect of APP for performing procurement in your organization.	1	2	3	4	5
b. What is the status of easiness of budget disbursement for smooth procurement in your procurement department?	1	2	3	4	5
5. Procurement Specification					
a. What is the level of conformity of specification with proper demand of goods, works and services in your agency?	1	2	3	4	5
b. Please rate the extent of role of specification committee in preparing specifications for procuring demanded items.	1	2	3	4	5
6. Tendering Process					
a. What is the level of process of bidding is maintained in procurement implementation?	1	2	3	4	5
b. Please rate the level of maintaining proper time of submission of documents and award of notification for starting stipulated jobs.	1	2	3	4	5
7. Suppliers Negotiation					
a. To what extent the success rate of suppliers negotiation with procuring entities do you consider in performing procurement?	1	2	3	4	5
b. Please rate how often your organization practices negotiation with suppliers .	1	2	3	4	5

8. Contract Selection and Award					
a. Please rate the extent of fairness that your procuring entity maintains in performing contract selection and award.	1	2	3	4	5
b. What is the extent of confidentiality is maintained in making contract and award in your procurement department?	1	2	3	4	5
9. Monitoring & Supervision					
a. Please specify the level of close monitoring that is generally maintained during the procurement implementation in your organization.	1	2	3	4	5
b. What is the extent of monitoring and supervision personnel is usually had in your procuring department?	1	2	3	4	5
10. Inventory Management					
a. Please mark in point the extent of inventory management that your procuring agency maintains.	1	2	3	4	5
b. What is the level of optimum utilization of inventory management in your organization?	1	2	3	4	5
11. Standard of Auditing					
a. Please rate the extent of standard of auditing that is maintained in your organization after completion of procurement.	1	2	3	4	5
b. To what extent your organization follows and maintains the recommendations of auditing team .	1	2	3	4	5
12. After Procurement Service					
a. Please refer the extent of capability to provide sufficient services after procurement by the concerned suppliers.	1	2	3	4	5
b. What is the attitude of suppliers to maintain after procurement services?	1	2	3	4	5
13. Evaluation of Procurement					
a. To what extent your procuring entity makes overall evaluation of procurement .	1	2	3	4	5
b. What is the extent of lesson learnt from the overall evaluation that your organization encompasses for further procurement?	1	2	3	4	5
14. Risk Management					
a. Please enumerate the assessment of probable risks of procurement that your procurement department usually does.	1	2	3	4	5
b. Please rate the level of Risk Management initiatives that your organization performs.	1	2	3	4	5
15. Bill Payment					
a. Please rate the proper bill payment to the suppliers that your procurement department often makes and disposes.	1	2	3	4	5
b. Please mark the level of easiness of paying bill to suppliers on time?	1	2	3	4	5

Section III: Scenario of Good Governance in Procurement

[Please put tick mark (✓) on respective box]

[Scale: 1 = Very Ineffective, 2 = Ineffective, 3 = As Usual, 4 = Effective, 5 = Very Effective]

Indicators of Good Governance in Procurement	Measuring Scale				
1. Rules & Regulations					
a. Please mark the extent of rules & regulations is applied in the procurement process in your organization.	1	2	3	4	5
b. Please rate the tendency of maintaining the procurement rules by the suppliers while they attend in any purchase in your organization.	1	2	3	4	5
2. Procurement Policies					
a. The extent of observing policies in procurement process in your organization is:	1	2	3	4	5
b. The standard of quality of procurement policies is maintained in your procuring entity is:	1	2	3	4	5
3. Open and Fair Competition					
a. Please rate the procurement related information that your organization opens to competent bidders and concerned people.	1	2	3	4	5
b. What is the status of maintaining fair competition that is ensured by your procuring entity to the suppliers?	1	2	3	4	5
4. Attenuation of Corruption					
a. Please rate the level of corruption free procurement process prevailing in the procuring agency.	1	2	3	4	5
b. What is the extent of attitude of procurement professionals to reduce corruption in the procurement activities?	1	2	3	4	5
5. Media & Civil Society Engagement					
a. Please mark the extent of media and civil society engagement in the procurement process in your organization.	1	2	3	4	5
b. The recommendations of media & civil society that your organization values in the procurement process.	1	2	3	4	5
6. Resolution of Complaints					
a. Please enumerate the extent of resolution of complaints that usually happens in the procurement activities.	1	2	3	4	5
b. Please rate the supplier's level of satisfaction to the resolutions by the procuring department in your organization.	1	2	3	4	5
7. Transparency and Accountability					
a. To what extent your organization provides information to nation and suppliers about procurement rules and regulations.	1	2	3	4	5
b. Please mark the extent of information that is related to the procurement notices, activities and communications that your organization provides.	1	2	3	4	5
8. Free from Political Influence					
a. Please enumerate the level of neutrality of political interventions in the procurement process that is prevailing in your organization.	1	2	3	4	5
b. Please rate the extent of pressure from politicians to the procurement professionals in your procurement department.	1	2	3	4	5

Section IV: Status of Quality Procurement

[Please put tick mark (✓) on respective box]

[Scale: 1 = Very Poor, 2 = Poor, 3 = Moderate, 4 = Good, 5 = Very Good]

Indicators of Quality Procurement	Measuring Scale				
1. Value for Money					
a. What is the level of cost effectiveness that your organization usually maintains in purchasing goods, services and works?	1	2	3	4	5
b. Please enumerate the level of best possible time that your organization maintains in implementing procurement.	1	2	3	4	5
c. What is the level of probability of procuring quality items that your authority desires and maintains?	1	2	3	4	5
2. Ethics and Values					
a. What is the level of ethics and values that your procuring agency maintains?	1	2	3	4	5
b. What is the level of ethics and values that is maintained by individual professional in your organization in the procurement process?	1	2	3	4	5
c. What is the level of ethics and values that is maintained by suppliers towards the procurement process ?	1	2	3	4	5
3. Qualified Professionals					
a. What is the level of procurement related education & training of concerned personnel in your procurement department?	1	2	3	4	5
b. What is the extent of freedom that procurement professionals realize and utilize their knowledge in the procurement process?	1	2	3	4	5
c. What is the level of experience and expertise that procurement professionals have?	1	2	3	4	5
4. Capacity of Procurement Dept & Mgt					
a. What is the level of sufficiency of procurement personnel that your procurement department has?	1	2	3	4	5
b. What is the level of pro-procurement working environment that is prevailed in your procuring entity?	1	2	3	4	5
c. What is the level of intra and inter-relationship of your procurement department to other offices and sectors?	1	2	3	4	5

Thanks for your kind cooperation.....

.....
Signature and Date

Appendix 2: Open Ended Questionnaire from Expert Opinions (KII)



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

Open Ended Questionnaire for Expert Opinions (Key Informant Interview)

Research Topic: [Quality Procurement: A Comparative Study between Public and Private Procurement Practices in Bangladesh]

The purpose of this research is to develop a quality procurement manual by understanding comparative procurement practices in public and private agencies in Bangladesh. It is a part of academic necessity for the Master in Arts of Governance and Development (MAGD) in the BRAC Institute of Governance and Development (BIGD), BRAC University. I, therefore, am requesting you to give your valuable and pragmatic ideas, opinions and suggestions in pursuit of quality procurement in Bangladesh. The questionnaire is anonymous and you are not asked to sign it.

Questions are:

1. What are challenges for the quality procurement practices in public and private agencies in Bangladesh?
2. What are the drawbacks of PPA 2006 and PPR 2008?
3. Are there available guidelines in private sector organizations for their procurement? What is the level of their standards?
4. What would be the distinctive features of a Procurement Manual?
5. What are the key differences (dimension wise) between public and private procurement practices in Bangladesh?
6. Are the tools (available in public & private sectors) effective for quality procurement in both agencies?

Appendix 3: Cronbach's Alpha of Independent, Intermittent & Dependent Variables

Variable's Name	Item Code	No. of Items	Cronbach's Alpha
Procurement Practices		30	.966
Need Assessment	NA	2	.732
Annual Procurement Plan	APP	2	.713
Proper Approval	PA	2	.703
Sufficiency of Budget	SB	2	.869
Procurement Specification	PS	2	.748
Tendering Process	TP	2	.802
Suppliers Negotiation	SN	2	.901
Contract Selection and Award	CSA	2	.719
Monitoring & Supervision	MS	2	.831
Inventory Management	IM	2	.848
Standard of Auditing	SA	2	.886
After Procurement Service	APS	2	.823
Evaluation of Procurement	EP	2	.861
Risk Management	RM	2	.918
Bill Payment	BP	2	.853

Variable's Name	Item Code	No. of Items	Cronbach's Alpha
Good Governance in Procurement		16	.916
Rules & Regulations	RR	2	.747
Procurement Policies	PP	2	.773
Open and Fair Competition	OFC	2	.742
Attenuation of Corruption	AC	2	.879
Media & Civil Society Engagement	MCSE	2	.835
Resolution of Complaints	RC	2	.842
Transparency and Accountability	TA	2	.924
Free from Political Influence	FPI	2	.801

Variable's Name	Item Code	No. of Items	Cronbach's Alpha
Quality Procurement		12	.965
Value for Money	VfM	3	.898
Ethics and Values	EV	3	.922
Qualified Professionals	QP	3	.896
Capacity of Procurement Dept & Mgt	CPDM	3	.861

Appendix 4: Hypothesis-1 Related Descriptive Statistics & Chi-Square Test

a. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Need Assessment	60	2.50	5.00	3.9500	.66192
Annual Procurement Plan	60	3.00	5.00	3.7583	.60710
Proper Approval	60	2.50	5.00	3.8667	.79119
Sufficiency of Budget	60	1.50	5.00	3.3500	1.06286
Procurement Specification	60	1.50	5.00	3.5750	.89170
Tendering Process	60	2.00	5.00	3.8250	.83780
Suppliers Negotiation	60	1.50	5.00	3.4333	1.19486
Contract Selection & Award	60	2.50	5.00	4.1417	.68329
Monitoring & Supervision	60	1.50	5.00	3.3833	.99305
Inventory Management	60	1.50	5.00	3.3083	1.14274
Standard of Auditing	60	1.50	5.00	3.1917	1.20413
After Procurement Service	60	1.50	4.50	3.2583	1.00630
Evaluation of Procurement	60	1.50	5.00	3.2333	1.11411
Risk Management	60	1.00	5.00	2.9583	1.22229
Bill Payment	60	1.00	5.00	3.9333	.82064

b. Chi-Square Test

	NA	APP	PA	SB	PS	TP	SN	CSA	MS	IM	SA	APS	EP	RM	BP
Chi-Square	15.60 ^a	10.83 ^b	11.60 ^a	7.47 ^c	32.00 ^c	9.60 ^a	14.13 ^c	14.80 ^a	21.07 ^c	8.80 ^c	13.33 ^c	5.33 ^d	8.00 ^c	11.70 ^c	18.17 ^d
df	5	4	5	7	7	5	7	5	7	7	7	6	7	8	6
Asymp. Sig.	.008	.029	.041	.382	.000	.087	.049	.011	.004	.267	.064	.502	.333	.165	.006

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 10.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 12.0.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.5.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.6.

e. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.7.

Appendix 5: H-2 Related Descriptive Statistics, Correlation & Regression Analysis

a. Descriptive Statistics

	N	Minimum	Maximum	Mean	SD
Procurement Practices	60	2.57	4.70	3.5444	.74178
Good Governance in Procurement	60	2.62	4.75	3.6115	.61851
Quality Procurement	60	2.00	5.00	3.4764	.94805

b. Correlations

		SoPP	SoGGP	SoQP
Procurement Practices	Pearson Correlation	1	.931**	.931**
	Sig. (2-tailed)		.000	.000
	N	60	60	60
Good Governance in Procurement	Pearson Correlation	.931**	1	.914**
	Sig. (2-tailed)	.000		.000
	N	60	60	60
Quality Procurement	Pearson Correlation	.931**	.914**	1
	Sig. (2-tailed)	.000	.000	
	N	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

c. Chi-Square Test

	Procurement Practices	Good Governance in Procurement	Quality Procurement
Chi-Square	16.700 ^a	36.200 ^b	15.233 ^c
df	38	25	36
Asymp. Sig.	.999	.069	.999

a. 39 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 1.5.

b. 26 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 2.3.

c. 37 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 1.6.

d. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.955 ^a	.913	.883	.21165

a. Predictors: (Constant), BP, SB, NA, APP, CSA, TP, PS, PA, EP, APS, RM, MS, SA, IM, SN

e. ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.600	15	1.373	30.658	.000 ^a
	Residual	1.971	44	.045		
	Total	22.571	59			

a. Predictors: (Constant), BP, SB, NA, APP, CSA, TP, PS, PA, EP, APS, RM, MS, SA, IM, SN

b. Dependent Variable: SoGGP

Appendix 6: H-3 Related Correlation & Regression Analysis

a. Correlations

		SoPP	SoGGP	SoQP
Procurement Practices	Pearson Correlation	1	.931**	.931**
	Sig. (2-tailed)		.000	.000
	N	60	60	60
Good Governance in Procurement	Pearson Correlation	.931**	1	.914**
	Sig. (2-tailed)	.000		.000
	N	60	60	60
Quality Procurement	Pearson Correlation	.931**	.914**	1
	Sig. (2-tailed)	.000	.000	
	N	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

a. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.972^a	.946	.927	.25613

a. Predictors: (Constant), BP, SB, NA, APP, CSA, TP, PS, PA, EP, APS, RM, MS, SA, IM, SN

a. ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.142	15	3.343	50.954	.000^a
	Residual	2.887	44	.066		
	Total	53.029	59			

a. Predictors: (Constant), BP, SB, NA, APP, CSA, TP, PS, PA, EP, APS, RM, MS, SA, IM, SN

b. Dependent Variable: SoQP