



Internship Report

Business Development and Bid Management at Bangladesh Engineering & Construction Corporation Ltd. (BECC)

Submitted to:

**Mr. Riyashad Ahmed
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**Submitted by:
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Date: 19 May 2016

19 May 2016

Mr. Riyashad Ahmed
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Subject: Submission of Internship Report

Dear Sir,

I, Minhaj Kamal Faruqui am pleased to submit my Internship Report on “Business Development and Bid Management at Bangladesh Engineering & Construction Corporation Ltd. (BECC)”. In preparing this report I was supervised by the Manager of BECC, Mr. Shahedul Islam.

In this report I have focused the main activities that a business development team need to carry out and bid management procedure for Engineering, Procurement and Construction (EPC) of large scale government projects. BECC has been in the business of EPC projects in the Power & Energy, Road, Port sectors. I have tried to bring out the gist of their business development philosophy and techniques of bid management in winning the government mega projects.

In preparing this report I have looked into many crucial ideas of Business Development which will definitely be very helpful for my career ahead. It would be a profound pleasure for me if the report can serve its purpose what you have expected as my internship outcome. I will be glad to clarify any discrepancy that may arise.

I humbly request you to accept this report for your kind evaluation.

Thanking You,

Yours Sincerely,



Minhaj Kamal Faruqui
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Acknowledgement

The internship opportunity I had with Bangladesh Engineering & Construction Corporation Ltd. (BECC) was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity by my academic supervisor, Mr. Riyashad Ahmed to do my internship work on the same field of my job. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this internship period.

Bearing in mind previous I am using this opportunity to express my deepest gratitude and special thanks to the MD of BECC who in spite of being extraordinarily busy schedule, took time out to hear, guide and keep me on the correct path and allowing me to carry out my project.

I express my deepest thanks to my professional supervisor, Mr. Shahedul Islam, Manager, Business Development for taking part in useful decision & giving necessary advices and guidance and arranged all facilities to make internship easier. I choose this moment to acknowledge his contribution gratefully.

It is my radiant sentiment to place on record my best regards, deepest sense of gratitude to my colleagues in BECC for their careful and precious guidance which were extremely valuable for my study both theoretically and practically.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement, in order to attain desired career objectives. Hope to continue cooperation with all of you in the future.

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EXECUTIVE SUMMARY

In this internship report explains the meaning of business development in the corporate world as well as the importance of Public Procurement Rules to submit any tender successfully. This report shows the complete process of how to work at each functional level, especially about the business development as it is my job profile. It is a basic process for which intensive research is to be conducted to find out the target audience, clients, sponsors, vendors etc.

The business development process starts from research and ends at project closure. Having knowledge in PPR is a great privilege for those whosoever want to build their career in EPC sector. This segment is one of the vast areas to build a prosperous career with a lot of opportunities. It is very unfortunate that, very few people have depth knowledge about this sector. I hope this report will encourage and help them to understand procurement process. In the international market, those who have knowledge about international procurement process are very worthy.

1 Introduction

This report has been made as the course requirement of Internship in MBA course. The topic for this report has been chosen by my academic and professional supervisors, “**Business Development and Bid Management at Bangladesh Engineering & Construction Corporation Ltd. (BECC)**”. I have worked closely with the business development team of BECC under the supervision the Manager of the Team, Mr. Shahedul Islam and participated in preparing number of bids and winning international bids of a mega projects.

Bangladesh Engineering and Construction Corporation Ltd. (BECC) is one of the leading EPC (Engineering, Procurement, and Construction) contractors which started its journey with a view to supporting growing infrastructural needs of the country. With extensive of experience in this field, the BECC Team envisioned the gap in market for quality engineering and construction companies and foreseen potential growth opportunity in power, telecom, railway and water resources division, oil & gas and infrastructures. I’m very fortunate to become a part of this company. I have been working in this company for one year as a Deputy Manager in business development team and tender preparation department. In this report, I have discussed and illuminated my job responsibilities and bidding process.

2 Company Overview

Bangladesh Engineering and Construction Corporation Ltd. (BECC) is a diversified infrastructure Engineering and Construction Company in Bangladesh. Over the decades it has maintained its prominence with leadership in its line of businesses. The Company is transforming challenges into opportunities ever since its inception and its Business Development team is the most effective tool of its success. With extensive of experience in this field, the BECC team envisioned the gap in market for quality engineering and construction companies and foreseen potential growth

opportunity in power, telecom, railway and water resources division, oil & gas and infrastructures.

BECC provides high-caliber services by availing highly qualified and experienced team of engineers, skilled and semiskilled labors. It is always striving to merge its work with the latest technology which enables the company to offer real value for money at every stage of a project.

BECC has a powerful sense of goal, a clear vision for the opportunity and shared a set of values. These are the pillars of the organization's business that steer its strategy and the way it interacts with the stakeholders.

2.1 History

BECC has been in the business of Engineering, Procurement and Construction (EPC) for last 20 years. Through its long journey, it has been involved in number of mega projects and became a part of the development of Bangladesh.

Currently BECC is involved in carrying out 2 mega projects in power sector as follows:

1. 330MW Combined Cycle Power Plant Construction Project, Shahajibazar, Sylhet
2. 400MW Repowering Plant Construction Project, Ghorashal

Apart from these on-going large scale government projects, BECC has conducted number of projects in Road, Bridge, Power, Port, Water-sanitation sectors.

2.2 Mission of BECC

To be a world-class construction and infrastructure enterprise driven by entrepreneurial spirit, cutting edge technology and execution excellence.

2.3 Vision of BECC

Quality: be an innovative entrepreneurial and empowered company constantly creating value and attaining global benchmarks. We shall focus on performance and act decisively with high energy to achieve the desired results.

Integrity: demand from ourselves and others the highest ethical standards and practices. We strive for consistency between – what we think, what we say and what we do.

Accountability: be accountable and continuously strive to improve our performance, measuring results carefully, and ensuring that integrity and respect for community is never compromised.

Relationships: committed to foster a culture of caring, trust and continuous learning while meeting expectations of employees and stakeholders and work for the betterment of the society.

2.4 SERVICES

Design

Comprehensive Research into areas like industry standards, phased delivery, assurance, and change and configuration management.

Engineering

Including the use of robust systems integration processes from design, through installation, testing.

Procurement

Relevant standards, early participation of strategic suppliers and manufacturers, manufacturing progress and quality monitoring & controls, type tests and factory acceptance tests (FATS).

Planning & Project Controls

Professional and comprehensive critical path analysis, detailed activity planning, real time reporting alerts, decision support and forecasting.

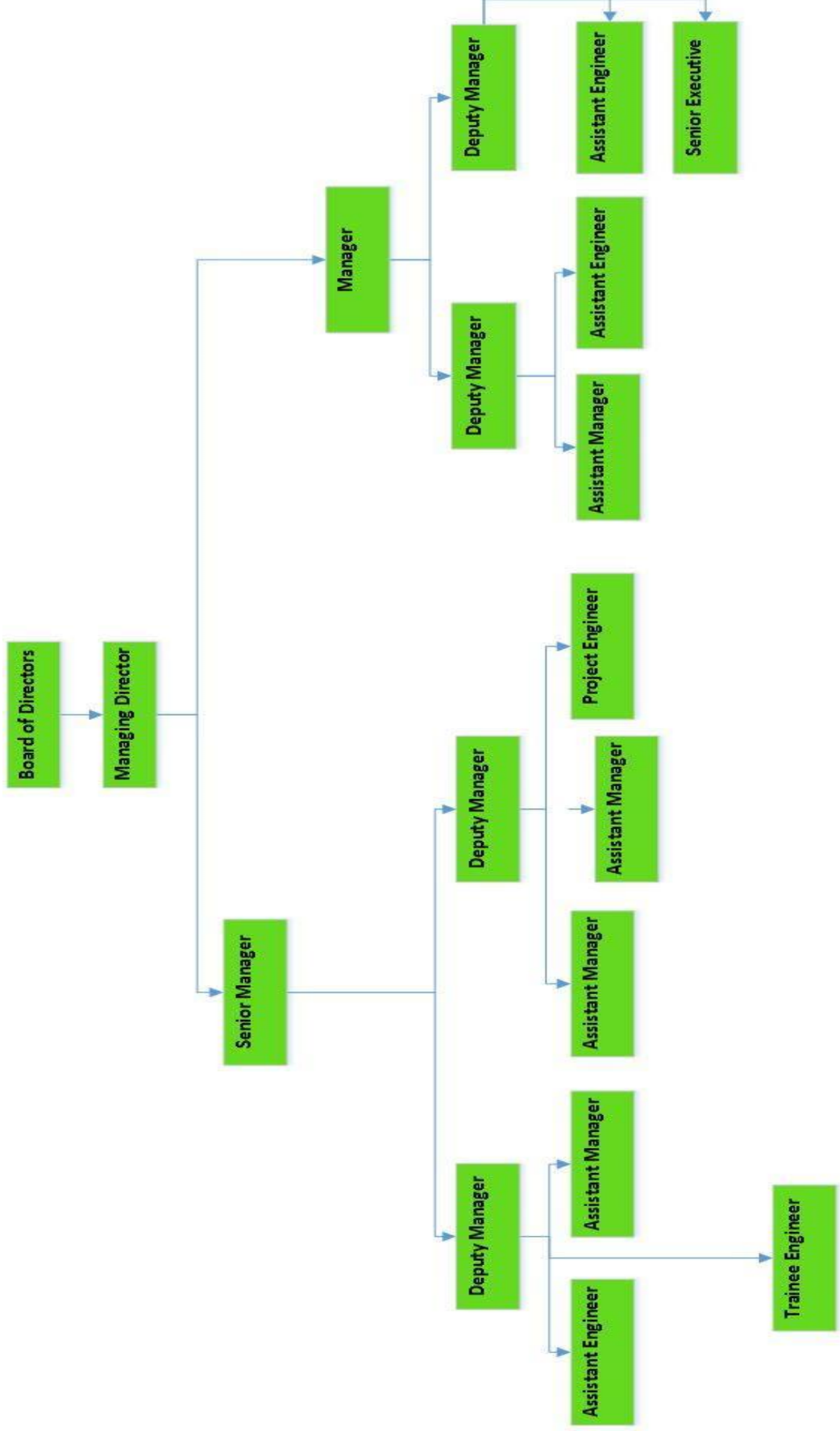
Construction

Recommendations for Site Management and Safety, standards, dependencies, management plans, site constraints, access planning & logistics, installation planning, safety and performance methods and site acceptance, Assurance and construction records.

Inspection, Testing, Commissioning, Handover and Bringing Into Use

Implementation of robust inspection gateways, systems integration, testing and commissioning plans and procedures

**Organogram
Of
Bangladesh Engineering & Construction Corporation Ltd. (BECC)**



3 Broad Duties and Responsibilities within the organization

I have been working in business development department for the last 6 years in different companies. Undoubtedly, this is a very challenging position in the corporate realm. In BECC, I am engaged as Deputy Manager, Business Development and leading a team for preparing bids and winning tenders for large government projects from Power-Energy, Road, Port, Bridge, Water and Sanitation sectors.

Besides the regular duties and responsibilities, I am engaged with other works for the progression of business i.e. scrutinizing the tender document and arranging the documents as per the procurement rules (e.g. World Bank, ADB, Bangladesh Public Procurement rules etc.). I am also responsible for communicating with the high officials of government and non-government organization as well as the foreign associates, visiting project offices and collecting the updated information about the project, preparing Expression of Interest (EoI) & Request for Proposal (RfP) for the potential projects and following up the upcoming projects through the business intelligence.

4 Limitations

As an employee in such a big company with an enormous responsibility, time doesn't permit to do my research task as per the required standards. However, I have tried to give my best exertion to meet the required standards.

5 The Project on the Business Development Process of BECC

5.1 Objectives

In preparing this report I have focused on two types objectives as follows:

5.1.1 Board Objective:

The broad objective of this research is to illustrate the activities of business development and the process of preparing bid documents as per the Procurement Rules of Bangladesh; international rules of World Bank (WB), Asian Development Bank (ADB) and other development partners.

5.1.2 Specific Objectives:

- a) To give a comprehensive idea about business development of EPC projects
- b) To get a feeling about how various departments in an organization co-ordinates in a uniform harmony and how they function
- c) To correlate between the textbook knowledge of Business and Business applied in corporate sectors
- d) To get an opportunity to develop attitudes conducive to effective interpersonal relationships
- e) To give a prolonged idea on PPR (Public Procurement Rules) and rules applied during the preparation of tender documents

5.2 Nature of Business Development in BECC

Fundamentally, as the name suggests, business development is about growing a business. The process of identifying opportunities, developing relationships, and securing profitable work for the firm is called business development. Business development is a smart combination of strategic analysis, marketing, and sales. The words business developments are starting to pop up more and

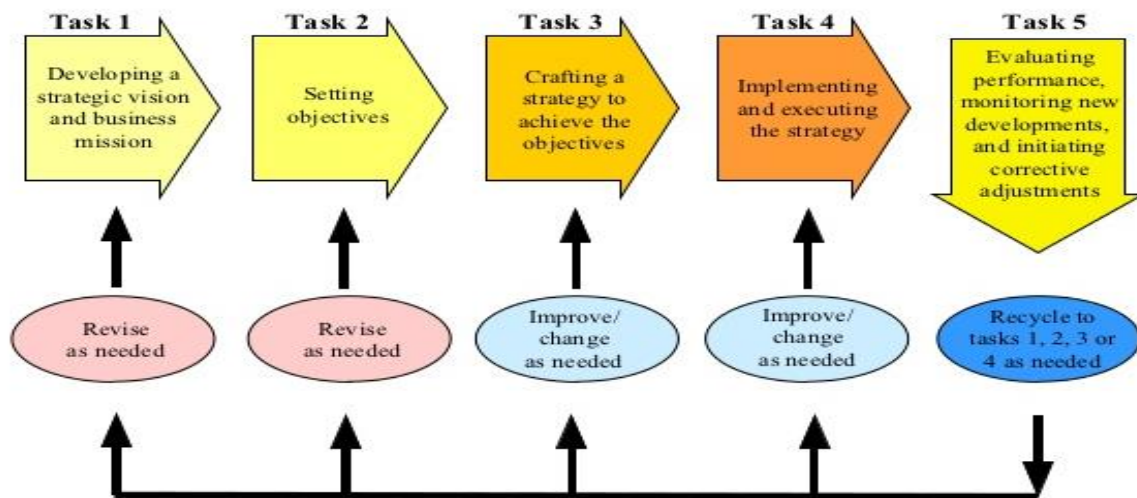
more. Even more relevant is businesses' willingness to let young workers and interns participate in this function.

Business development professionals can be involved in everything from the development of their employers' products and services, to the creation of marketing strategies, to the generation of sales leads, to negotiating and closing deals.

The job of the business development professional is typically to identify new business opportunities-whether that means new markets, new partnerships with other businesses, new ways to reach existing markets, or new product or service offerings to better meet the needs of existing markets-and then to go out and exploit those opportunities to bring in more profits.

Business Development is related to the strategic management as well. So, it's very important for the business development manager to have adequate knowledge about strategic management. The following tasks of the strategic management are related to the business development work.

The Five Tasks of Strategic Management



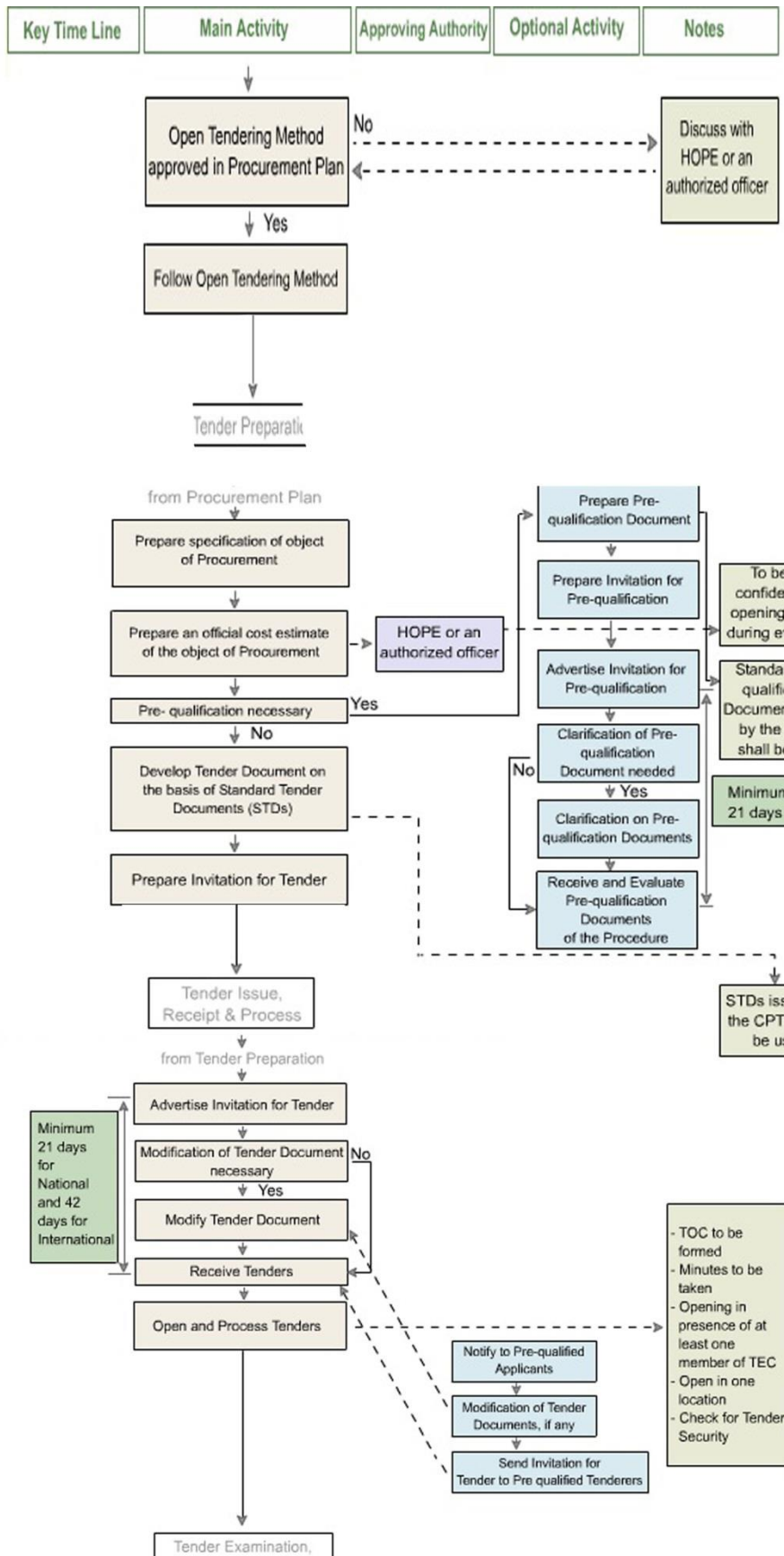
These five tasks of the strategic management are assisting to develop business and to achieve goals. Most of the managers follow and utilize this process to reach ultimate destination as well as to making decisions and doing job proficiently.

5.3 Tender processes for construction contracts

A tender is a submission made by a prospective bidder in response to an invitation to tender. It makes an offer for the supply of goods or services. In construction, the main tender process is generally for the selection of the contractor that will construct the works. However, as procurement rules have become more complex, so tenders may be sought for a wide range of goods and services (for example on a construction management contract the works are done by a number of different trade contractors each contracted by the client for different package) and contractors may take on additional functions such as design and management. There is also an increasing tendency for suppliers to be aggregated into single contracts, for example, 'integrated supply teams' on public projects may include; the main contractor, designers, sub-contractors, suppliers, facilities managers and so on. Irrespective of the nature of the goods or services that are being sought, the process for securing tenders may take a number of different basic forms.

5.3.1 Open tendering

Open tendering allows anyone to submit a tender having required qualification. Generally an advertisement will be placed giving notice that the contract is being tendered, and offering an equal opportunity to any organization to submit a tender. On larger projects, there may then be a pre-qualification process that produces a short-list bidders. However, open tendering offers the greatest competition and has the advantage of allowing new or emerging suppliers to try to secure work. Process of open tender is given below:



Open Tendering Process

5.3.2 Selective tendering

Selective tendering only allows suppliers to submit tenders by invitation by choice. A pre-selected list of possible bidders is prepared that are known by their track record to be suitable for a contract of the size, nature and complexity required. Consultants or experienced clients may maintain ‘approved’ lists of prospective bidders and then regularly review performance to assess whether suppliers should remain on the list.

Selective tendering can give clients greater confidence that their requirements will be satisfied and should reduce the wasted effort that can be involved in open tendering. It may be particularly appropriate for specialist or complex contracts, or contracts where there are only a few suitable firms. However, it can exclude smaller bidders or those trying to establish themselves in a new market.

5.3.3 Negotiated tendering

Negotiating with a single bidder may be appropriate for highly specialist contracts, or for extending the scope of an existing contract. It can reduce the costs of tendering and allow early contractor involvement, but the competitive element is reduced, and unless the structure of the negotiation is clearly set out there is the potential for an adversarial atmosphere to develop, even before the contract has been awarded.

5.3.4 Serial tendering

Serial tendering involves the preparation of tenders based on a typical or notional bill of quantities or schedule of works. The rates submitted can then be used to value works over a series of similar projects, often for a fixed period of time following which the tendering procedure may be repeated. Serial tendering can reduce tender costs, and may encourage suppliers to submit low rates to secure an ongoing programme of work.

5.3.5 Framework tendering

Clients that are continuously commissioning work might reduce timescales, learning curves and other risks by using framework agreements. Such arrangements allow the client to invite tenders from suppliers of goods and services to be carried out over a period of time on a call-off basis as and when required.

Framework tender documents are likely to include a request for a schedule of rates and time charges and a breakdown of resources and overheads to be applied (including any proposed subcontractor or sub-consultant details).

One or more suppliers are then selected and appointed. When specific projects arise the client is then able to simply select a suitable framework supplier and instruct them to start work. Where there is more than one suitable supplier on the framework, the client may introduce a secondary selection process to assess which supplier is likely to offer best value for a specific project. The advantage of this process to the client is that they are able instigate a selection procedure for individual projects without having to undertake a time-consuming pre-qualification process. This should also reduce tender costs.

5.3.6 Single-stage and two-stage tendering

Single-stage tendering is used when all the information necessary to calculate a realistic price is available when tendering commences. An invitation to tender is issued to prospective suppliers, tenders are prepared and returned, a preferred tenderer is selected and following negotiations they may be appointed.

Two-stage tendering is used to allow early appointment of a supplier, prior to the completion of all the information required to enable them to offer a fixed price. In the first stage, a limited appointment is agreed to allow work to begin and in the second stage a fixed price is negotiated

for the contract.

Besides that, several methods are being used for the procurement. It totally depends on the employer decision of choosing methods for procurement. In Bangladesh open tendering method is being used widely for both domestic and International procurement as well.

5.3.7 Public Procurement

The Government of Bangladesh, as part of the broad public sector reforms, has embarked upon to manage implementation challenges aiming at improving performance of public procurement progressively as part of strengthening overall sectorial governance. In order to achieve its aim and 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 (Public Procurement Regulations 2003), Implementation Procedures for PPR 2003, Public Procurement Processing and Approval Procedures (PPPA), Revised Delegation of Financial Powers (DOFP) and several Standard Tender Documents (STD's)/Standard Request for Proposal Document for the procurement of Goods, Works and Services. Later on in 2006, the Public Procurement Act was passed by the Parliament (PPA 2006) and in 2008; a new set of Public Procurement Rules (PPR 2008) was issued. The PPA 2006 and PPR 2008 were made effective on i.e. 31 January, 2008.

5.3.8 CPAR and PPRR

The slow procurement performance under different projects led to the Country Procurement Assessment of prevailing public procurement policy, framework, institutions and staff skills in 2001. The Country Procurement Assessment Report (CPAR) which was prepared by World Bank, in agreement with the Government of Bangladesh, identified many deficiencies, including the

following major deficiencies, in the procurement system of the Government of Bangladesh:

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

5.3.9 Cohesion between Procurement Rules (PR) and Tender documents

It can be said that PR is the bible for the bidders. PR is the book of law where all the solutions are given with justifications. Very often people do the mistake to submit tender without having proper knowledge on PR. During the assessment, Technical Evaluation Committee (TEC) evaluate the tender on the basis of the PPR rules and regulations. This Procurement guideline explains those potential problems which might have come during the time of evaluation. Every donor agency has Procurement guideline and bidders must follow the rules and regulations of that guideline. Sometimes bidders must follow two guidelines at a time e.g. If World bank is a donor agency and Bangladesh government is an executing agency then bidder should follow two guidelines at a time, though the two guidelines never conflict each other. However, it's preferable to follow donor agency's PR and most of the time donor agency's decision has given priority over executing agency.

This PR guideline comprises several clauses those have linked to each other. This guideline also contains rejection clauses along with qualification and evaluation criteria. Based on this guideline the consultants prepare tender documents. Violating the rule of this guideline may result eliminated or blacklisted from the future tender participation. So, every bidder must be careful during the submission of the documents.

5.4 Tender report preparation in BECC for construction contracts

A tender report is a brief history of the tendering process and an analysis of each tender submission and any subsequent negotiations. It is generally prepared by the business development team of BECC under close observations and contributions from the design team regarding the perceived value of each bid.

The report concludes with a clear recommendation as to the best value for money offer. If the tender process has any implications for the project, or changes the position compared to the impression the client had been given in pre-tender, then these should be clearly set out.

I lead the preparation of the tender report that provides an audit trail for the selection process and might include:

- The background to the contract.
- The scope of the contract.
- Pre-qualification criteria.
- The tender evaluation criteria.
- Reasons for rejection of unsuccessful tenders.
- Reasons for the recommendation.
- A summary of any post-tender negotiations.
- Comparison with the pre-tender estimate.

- Any implications for the project.

5.5 Tender documentation in BECC for EPC projects

BECC business development team develops a submission bid in response to an invitation to tender.

I also lead the team in making a financial offer for the work.. Generally, tendering refers to the contractors required to complete construction works, rather than the process of selecting consultancy services which is commonly referred to as appointment.

We, the business development team prepare bids for a range of contracts such as; equipment supply, the main construction contract (including design by the contractor), demolition, enabling works etc.

Ideally, we break down the tender documents into a series of packages (even if there will only be one main contract). This makes the tender easier to calculate a competitive price. It is important when this is done to ensure that the interfaces between packages are properly identified and clearly allocated to one package or another. The cost plan (pre-tender estimate) should also be re-assembled on package by package to allow easy appraisal of tenders received.

At the end, we compile the full bid in the following order:

- A letter of invitation to tender.
- The form of tender.
- Preliminaries: including pre-construction information and site waste management plan (if required).
- The form of contract, contract conditions and amendments. This might include a model enabling amendment for building information modeling (BIM), making a BIM protocol a contractual document.
- A tender pricing document (or contract sum analysis on design and build projects).

- Employer's information requirements for BIM.
- Design drawings, and perhaps an existing building information model.
- Specifications.

6 Conclusion

It is very much important to make coherence between the academic knowledge with the practical one. Keeping this view in mind, MBA Program, BRAC Business School, makes proper arrangements of practical orientations (internship) for the students of MBA which is a part of MBA program. It is a great privilege for me being an employee of Bangladesh Engineering and Construction Corporation Ltd. (BECC).

I have acquired knowledge on different things especially on business development and public procurement rules. Bangladesh Engineering and Construction Corporation Ltd. has been working closely with both government and non-government organization. For that reason, I got the chance to get acquainted with the high officials of government and non-government organization. In this report, I have tried to harmonize my professional experience with the academic knowledge which I have learned during my post-graduation.

I have tried to depict a brief description of the responsibilities of the business development as well as the relation between business development and strategic management. I have described the whole process of tender submission as well as the evaluation process of different tendering process. I understood the gap between the practical and theoretical knowledge. I tried my best to make the report fruitful and my all efforts will be valuable if anyone gets any sort of benefit from my report.

7 References

1. Bangladesh Public Procurement Rules (PPR) 2008
2. ADB Procurement Guidelines 2015
3. World Bank Procurement Guidelines 2014
4. BECC Bid Preparation Guidelines