

Performance measurement of Public Works Department on the basis of Key Performance Indicator regarding compliance to PPA (2006) & PPR (2008): Case study on Construction of Bangladesh Television Bhaban (BTV) at Rampura, Dhaka.

Dissertation submitted in partial fulfillment of the requirements for the Degree of Masters in Procurement and Supply Management.

Submitted by
Mirza Shibli Mahmood
MPSM, Batch XII
ID No. 16382023

Masters in Procurement and Supply Management

September, 2016



BRAC Institute of Governance and Development
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This is to certify that the dissertation entitled “Performance measurement of Public Works Department on the basis of Key Performance Indicator regarding compliance to PPA (2006) & PPR (2008): Case study on Construction of Bangladesh Television Bhaban (BTV) at Rampura, Dhaka..” is the original work of Mirza Shibli Mahmood that is completed under my direct guidance and supervision. So far I know, the dissertation is an individual achievement of the candidate’s own effort’s, and is not a conjoint work. I also certify that I have gone through the draft and final version of the dissertation and found it satisfactory for submission to BRAC Institute of Governance and Development (BIGD), BRAC University in the partial fulfillment of the requirements for the Degree of Masters in Procurement and Supply Management.

Dr. Nasiruddin Ahmed

Supervisor

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All praises are due to Almighty Allah, The Omnipotent, Omnipresent and Omniscient.

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The Author

Abstract

The four most essential things to be ensured in public procurement are transparency, accountability, equitable treatment and free & fair competition. In Bangladesh, these could not be ensured earlier due to absence of proper legal framework. To streamline the public procurement activities, Government of the People's Republic of Bangladesh has enacted Public Procurement Act (PPA) in 2006 and thereafter issued Public Procurement Rules (PPR) in the year 2008. Since then government organizations has considered PPA and PPR as a mandatory issue to be complied with in all sorts of public procurement activities. The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) continuously monitors the compliance of PPA and PPR in public procurement on the basis of 45 predetermined Key Performance Indicators (KPI).

To monitor and ensure the compliance of PPA and PPR, CPTU has selected four government organizations as the target agency on the basis of the volume of procurement. In spite of being a major procuring agency of the country, PWD was not considered among the four as the volume of procurement of PWD was not within the first four of the list. But after that, the volume of procurement has increased substantially. This definitely creates the urgency of being monitored with due importance.

The main objective of the study is to find out the extent of compliance of PPR 2008 by PWD and to find out the gap of compliance and scope of improvement for implementation. To get a closer look of procurement activities and get the evidence more specific, a case has been taken for better understanding. The project is the Construction of Bangladesh Television Bhaban (BTV) at Rampura, Dhaka, one of the landmark structure constructed by PWD.

The related literatures and reports, particularly from PWD, have been thoroughly reviewed before conducting the main research work. To collect data of the project, DPP, RDPP and other related documents was studied thoroughly. For better understanding and have a look into the deep of the project concerned engineers and other personnel involved in the project was communicated.

Measuring performance of the government organizations has long been recognized as necessary for improving the effectiveness and efficiency of the public sector. Thus Key performance Indicators are expected to enable the public sector organizations to assess the achievements of the activities against the stated objectives and collectively, their contribution to stated organizational goals.

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Abbreviations

AA	: Approving Authority
ADP	: Annual Development Program
AO	: Authorized Officer
CAA	: Contract Approving Authority
CCGP	: Cabinet Committee of Government Purchases
CIPS	: The Chartered Institute of Purchasing and Supply
CPTU	: Central Procurement Technical Unit
DoFP	: Delegation of Financial Power
DPP	: Development Project Proposal
ERD	: Economic Relations Division
GCC	: General Conditions of Contract
GFR	: General Financial Rules
HOPE	: Head of Procuring Entity
ICD	: Intended Completion Date
IMED	: Implementation Monitoring and Evaluation
KPI	: Key Performance Indicators
LGED	: Local Government Engineering Department
LTM	: Limited Tendering Method
MoF	: Ministry of Finance
MoP	: Ministry of Planning
NOA	: Notification of Award
OECD-DAC	: Organization for Economic Co-operation and Development-Development Assistance Committee
OTM	: Open Tendering Method

PD	: Project Director
PE	: Procuring Entity
PM	: Project Manager
PPA 2006	: Public Procurement Act 2006
PPR 2008	: Public Procurement Rules 2008.
PPRP II	: Public Procurement Reform Project (Phase II)
PWD	: Public Works Department
RADP	: Revised Annual Development Program
REB	: Rural Electrification Board
RHD	: Roads and Highways Department
SRGB	: Survey Research Group of Bangladesh
TDS	: Tender Data Sheet
TEC	: Tender Evaluation Committee
TER	: Tender Evaluation Report
TOC	: Tender Opening Committee

Operational Definitions: PPR 2008

- 4. “Advertisement”** means an advertisement published under Section 40 in newspapers, websites or any other mass media for the purposes of wide publicity;
- (2) **“Approval Procedures”** means the approval procedures of a Tender or a Proposal as detailed in Rule 36;
- (3) **“Approving Authority”** means the authority which, in accordance with the Delegation of Financial Powers, approves the award of contract for the Procurement of Goods, Works or Services;
- (4) **“CPTU”** means the Central Procurement Technical Unit, established by the in the Implementation Monitoring and Evaluation Division of the Ministry of Planning, for carrying out the purposes of the Act and these Rules;
- (5) **“Days”** means calendar days unless otherwise specified as working days;
- (6) **“Delegation of Financial Powers”** means the instructions with regard to the delegation of financial authority, issued by the from time to time, relating to the conduct of public Procurement or sub-delegation of financial powers under such delegation;
- (7) **“Head of the Procuring Entity”** means the Secretary of a Ministry or a Division, the Head of a Government Department or Directorate; or the Chief Executive, by whatever

designation called, of a local Government agency, an autonomous or semiautonomous body or a corporation, or a corporate body established under the Companies Act;

(8) **“Intended Completion Date”** is the date on which it is intended that the Contractor shall complete the Works as specified in the Contract and may be revised only by the Project Manager by issuing an extension of time or an acceleration order;

(9) **“Key Performance Indicators (KPI)”** are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization.

(10) **“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;

(11) **“Procuring Entity”** means a Procuring Entity having administrative and financial powers to undertake Procurement of Goods, Works or Services using public funds;

(12) **“Public funds”** means 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

(13) **“Public Procurement”** means Procurement using public funds;

(14) **“Project Manager”** is the person named in the Contract or any other competent person appointed by the Procuring Entity and notified to the Contractor who is responsible for supervising the execution of the Works and administering the Contract.

CHAPTER - I

INTRODUCTION

Introduction

4.1 Background and context

Over the last few years the Govt. of Bangladesh made considerable efforts to bring about a systematic change in the public procurement environment. The basic foundation for the change was created by making policy changes including passing the Public Procurement act 2006. But its implementation was slow and little progress was made in tangible outcomes on the ground. To establish a robust procurement environment compatible with the rapidly changing investment and economic scenario, a no of activities has taken by IMED. The major weaknesses perceptible in the public procurement system were the inordinate delays in awarding of contracts and non compliance to public procurement rules and regulations. This was exacerbated by frequent changes, inconsistence guidelines, poor monitoring, Inadequate knowledge and skills, lack of expert advice and institutional support, non availability standard contract document and specification, week contract administration etc. which ultimately resulted in huge cost and over run in many development project. In a nutshell, the procurement system evidenced a stumbling block which influenced significantly in slowing down economic development of the country. Such an efficient and ineffective procurement system shed a negative effect on good governance as it failed to generate the desired result to ensure value for money of the public contracts and transparency and accountability in offering and selecting public tenders. Hence, to establish good governance in the country an effective and efficient procurement system became imminent and integral part of public sector reforms in Bangladesh. Over the last several years the government has been addressing key weakness in financial management system and took a number of milestone decisions to make substantial progress in reforming its public procurement system.

Until 2003, there was no standard and legal framework for public procurement in Bangladesh and General Financial Rules (GFR) had regulated public procurement procedures and practices in Bangladesh. These rules were originally issued during the British period and slightly revised in 1951 under the Pakistani rule. After Bangladesh's independence, few changes were made to these rules in 1994 and 1999 respectively (Islam, 2011). To ensure transparency and accountability in the procurement of goods, works or services using public funds, and ensuring equitable treatment and free and fair competition among all persons wishing to participate in such procurement, the Government of the People's Republic of Bangladesh has enacted Public Procurement Act 2006 (hereinafter called PPA 2006) on 06 July 2006. Under the framework of PPA 2006, the government issued Public Procurement Rules 2008 (hereinafter called PPR 2008) which has come into effective on January 31, 2008. All these were the outcomes of the reform process taken by the government to streamline the public procurement. Earlier in 2003, Public procurement Regulations 2003 which was effective till the PPR 2008 was issued (Hoque, 2010).

Upon issuance of the PPA 2006 and PPR 2008, the government agencies are bound to follow the Act and Rules in the day to day procurement activities of their own. The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning have been established for carrying out the purposes of Section 67 of PPA 2006 which states as follows:

***Section 67:** For carrying out the purposes of the Act, the Government shall, through a Central Procurement Technical Unit or any other unit established by it relating to*

procurement monitoring, coordination and management, perform the following responsibilities, namely –

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.

To provide better monitoring of the implementation of this Act and Rules, the government of Bangladesh has undertaken Public Procurement Reform Project II (PPRP II) in 2009. The aim of project is to progressively improve the performance of public procurement system in Bangladesh, focusing largely on the target agencies, namely Bangladesh Water Development Board (BWDB), Roads and Highways Department (RHD), Local Government Engineering Department (PWD) and Rural Electrification Board (REB). Among the four components of PPRP II, the **Second** one is the strengthening procurement management at sectoral/agency level and CPTU to develop an MIS system for reporting procurement activities and M&E system for monitoring the compliance of PPA 2006 and PPR 2008 by the target agencies in the light of 45 predetermined Key Performance Indicators (KPIs) (**Appendix A**). The KPIs were developed taking cognizance of the OECD-DAC1 indicators within the overall framework of the PPA/PPR and its features within the local context.

1.2 Statement of the problem

Procurement of Goods, Works, and Services are also covered by the IMED's existing way of undertaking implementation monitoring and evaluation tasks but not monitored and evaluated on the basis of any key performance monitoring indicators. That's why CPTU of IMED is

monitoring procurement performance through the PPRP-II project. CPTU has appointed a Project Implementation Support Consultant for each of the four target agencies. These consultants are submitting the procurement performance report of each agency on quarterly basis. Also, a consultancy firm, Survey Research Group (SRG) Bangladesh, appointed by CPTU, is submitting quarterly the reports to CPTU based on KPIs.

In spite of being a major procuring agency of the country PWD is not among the four target agency. At the time of selection of the target agency the amount of procurement in PWD is not in the first four. But after that the amount of procurement has increased substantially. Now PWD has procured more than Water development Board (one of the four target agency). For not being in the list of initial selection, the procurement activities of PWD are not monitored keenly. Now it is required to take a look on PWD's procurement activities.

1.3 Significance of the proposed research

PWD is the epic organization of building construction. PWD construct and maintained all public buildings including the Honorable President's house, Prime Minister's Office and residence, Secretariat, National Assembly, Hospitals, Govt. offices etc. The importance factor of that building is very high. So robust and effective procurement is necessary to implement those projects. As discussed earlier CPTU is not monitoring PWD's procurement activities closely. So it would be wise enough to have an independent study to ascertain the procurement performance of the Public Works Department.

1.4 Research Questions

This study aims to know the extent of compliance of PPR 2008 by PWD procurement activities in this project. Also it is intended to know the hindrances which have been faced by PWD while complying with the rules of PPR 2008. Thus, the research work advanced keeping in front the following two questions:

4. *Has PWD followed PPR 2008 completely?*

ii) If NO, then what are the causes behind this?

1.5 Objectives of the Study

The objectives of the present study are as follows:

4. To find out the extent of compliance of PPR 2008 by PWD.

ii) To find out the gap of compliance and scope of improvement for implementation of PPR 2008 in PWD.

1.6 Scope of the Study

The limitations of this study have come from both its scope and its methodology. Survey mainly focused on the project that has been taken for the case study. That's why the study was confined to PWD HQ and the office, involved in the construction and implementation activities of the project.

It is obvious that the study result may vary with the nature and volume of work underlined in different project. Since no project is alike, the evaluation result will not be the same. However focusing on a particular project definitely enables to have a more precise look in different issues of procurement in that project and thus ensures better performance in evaluation.

CHAPTER - II

LITERATURE REVIEW

Literature Review

2.1 Public Works Department

Public Works Department (PWD), under the Ministry of Housing and Public Works, is the pioneer in construction arena of Bangladesh. Over about two centuries, PWD could successfully set the trend and standard in the country's infrastructure development. It plays a pivotal role in the implementation of government construction projects. It also undertakes projects for autonomous bodies as deposit works. Public Works Department has highly qualified and experienced professionals forming a multi-disciplinary team of civil, electrical and mechanical engineers who work alongside architects from the department of architecture. With its strong base of standards and professionalism developed over the years, PWD is the repository of expertise and hence the first choices among discerning clients for any types of construction project in Bangladesh. Besides being the construction agency of the government, it performs regulatory function in setting the pace and managing projects for the country's construction industry under the close supervision of the Ministry of Housing and Public Works.

2.2 Construction of Bangladesh Television Bhaban: the project overview

Project title : Construction of Bangladesh Television Bhaban (BTV) at Rampura, Dhaka.

(Sub-head: Construction of 12-storied Television Bhaban (BTV) with 01 (one) basement floor in/c internal sanitary & water supply arrangement and related electrification works.)

Sponsoring Agency : Ministry of Information

Executive Agency : Bangladesh Television.

Objectives of the Project : The main objectives of the project are as follows-

- To accommodate all of the headquarter offices including administration, finance, sales, license, engineering, photography, design etc in the same building for making our national broadcasting activities cost effective and time saving that will solve the accommodation problem and increase the co-ordination of work.
- To preserve the important, sensitive electronic equipments and important confidential official documents from crowded and overloaded Dhaka station office to proposed headquarter building.
- To ensure the security of BTV as a KPI Grade-1 organization.
- To provide modern digital system of media centre, archive, conference and rehearsal room, library etc to improve the quality of program or production.
- To provide 100 seated training center with all modern facilities for better training programs.

- To create better facilities for cafeteria, lounge, lobby, VIP lounge, information desk, car parking etc.
- To provide 12 (twelve) seated rest room for emergency transmission staffs.

Estimated Cost : Tk. 2163.18.
(in lac taka)

2.3 Central Procurement Technical Unit

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 of Section 67 which states 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

Then the Public Procurement Rules-2008 prescribed the following additional responsibility to CPTU:

1. For the purposes of section 67 (a) of the Act, The Central Procurement Technical Unit (CPTU) of IMED shall, in addition to that Section of the Act, perform the following responsibility under Section 67 (b) and (c), namely
 - (a) Propose any Amendment to the Act, Rules or other Documents which appears necessary in the light of international practices and experience gained in course of the Public Procurement process in Bangladesh
 - (b) Issue guidance and instructions regarding the interpretation and implementation of these Rules and other Documents issued by it and give, upon request from the concerned Procuring Entity or Tenderer, advice and assistance to Procuring Entities without, however, diminishing the responsibility of a Procuring Entity.
- I Prepare and distribute standard Documents to be used in connection with public Procurement.

2.4 Public Procurement Reform in Bangladesh

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 sectoral 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 w.e.f. 31 January, 2008.

2.4.1 Country Procurement Assessment Report (CPAR) and the Public Procurement Reform Project (PPRP)

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:

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

With the above backdrop, the need for improving governance in the public procurement management area was felt. The first “Public Procurement Reform Project” with IDA assistance approved on 14 February 2002 clearly defined its implementation objectives as to ‘contribute to improved performance in public procurement through introduction of measures to make the public procurement system compliant with internationally agreed norms for efficiency, transparency and accountability with the increase of procurement capacity through training and creation of a pool of national procurement professionals.

Under the PPRP (2002/03 to 2006/07) government made considerable improvements by completing following major policy reform actions;

- a) Issued Public Procurement Regulations 2003 (PPR) (remained in force up to 30 January, 2008) with the implementation procedures, procurement processing and implementation procedures and in July 2006 passed a procurement Act in the Parliament. The Act and the regulations contain most features of the international good public procurement practices.
- b) A specialized unit on public procurement practices implementation, the Central Procurement Technical Unit (CPTU), was established to implement, manage and support the recommended procurement reforms;
- c) CPTU established a website (www.cptu.gov.bd) publishing Invitation to Tenders, RFPs, RFQ, contract awards on procurement for public access,
- d) Developed a centralized Procurement Management Information System (PROMIS),
- e) Developed a critical mass of 25 national trainers and provided training to over 1800 staff of 260 organizations up to March 2007.
- f) A comprehensive set of Standard Tendering Documents were developed complying the Public Procurement Regulations 2003 for use by all government funded agencies;
- g) Revised the delegation of financial power

- h) Public Procurement Act was ratified by the parliament in 2006;
- i) A new set of public procurement rules and supporting procedural guides were prepared; subsequently the Public Procurement Regulations 2003 was replaced by Public Procurement Rules, 2008, framed under Public Procurement Act, 2006.

A number of changes to improve the process have been included in the Public Procurement Rules 2008:

- ü Provision of Framework Contracts
- ü Provision of Concession Contracts
- ü Use of Request for Quotation Method for the procurement of divisible commodities in bulk.
- ü Special provision to meet urgent national needs
- ü Establishment of Central Procurement Technical Unit (CPTU) within the IMED
- ü Implementation of Public Procurement Reform
- ü Improvement of Procurement Management Capacity.

2.4.2 Implementation of Public Procurement Reform II (PPRP-II)

PPRP-II is scheduled to be implemented over a period of five years. To ensure continuity of the reform program, CPTU/IMED is the key implementing agency for the project while the sectoral target agencies are responsible for implementation of management and monitoring of procurement actions at the agency level. In addition, in coordination with CPTU, the target agencies will be responsible for implementation of e-Government Procurement (e-GP) system and social accountability activities in phases. Each target agency has designated a

full-time Procurement Monitoring Coordinator (PMC). In similar way Technical Working Group is formed. Besides that CPTU has fielded Procurement Implementation Support Consultants in these 4 target agencies.

2.4.3 Implementation of capacity development, MIS, and e-GP

An International consulting firm, under coordination with CPTU/IMED, is already implementing an extensive capacity building program mainly with Engineering Staff College Bangladesh (ESCB – the nominated sub-consultant) and partly with Bangladesh Institute of Management (BIM) with the programs covering an array of trainings. The training programs prepared for the stakeholder from various areas will train about 11,000 people of procurement community, including policy makers, government officials, procurement officials, field level procurement staffs, social society, media etc.

Initiations have been started to ensure compatibility of the procurement monitoring system in CPTU, in accordance with the e-GP roadmap and to fulfill the requirements of the Public Procurement Act/Rules, the existing Procurement management information system – “PROMIS” will be updated, expanded and integrated with e-GP System to form the first phase of e-GP System. With the introduction of e-GP system compliant to the PPA-2006 and PPR-2008 in Bangladesh, starting with four target agencies, it is expected that it will help to establish Effective Monitoring and Evaluation online platform, standardization on the way of carrying out the procurement through the standard online bidding document templates and processes. CPTU will start in pilot basis with the features like Centralized registration of bidding community; procurement process workflow based e-Tendering, e-Contract Management, database of Public Procurement Community (Procuring entities and Contractors/Suppliers/Consultants), e-Payment and Procurement Management Information System.

2.4.4 Implementation of communication strategy for CBC & Sac

Strategy and sustainable framework for communication campaign and social awareness will be developed and implemented. The strategy and framework will be initially implemented in four target agencies and CPTU/IMED.

2.5 Public Procurement Rules (PPR 2008): An overview

Public Procurement Rules (PPR) 2008 was framed by the Government of People's Bangladesh under the Public Procurement Act (PPA) 2006 which came into effective on January 31, 2008. The main objective of enacting PPA 2006 & introducing PPR 2008 was, generally, of achieving value for money, ensuring transparency, accountability, fair treatment in all public procurement throughout the public sector organizations of our country.

There are 130 Rules in PPR 2008 under nine chapters. Most of the Rules have several Sub-Rules. In chapter one, there are 3 Rules (Rule 1 to Rule 3) where preliminary issues like definition of key terms, scope and application of the Rules are given. There are 9 Rules (Rule 4 to Rule 12) in chapter two. Guideline for preparation of Tender or Proposal document, constitution of different committees for disposal of Tender or Proposal are given in this chapter. In chapter three, principles of public procurement is given. This is a very big chapter divided into twelve parts. There are total 48 Rules (Rule 13 to Rule 60) under chapter three where, among others, procedure for preparation of technical specification, preparation of terms of reference, procedure for rejection of tender, approval procedure of Tender, contract administration and management are described. Rule 61 to Rule 89 constitutes chapter four where methods of procurement for goods and related services, works, physical services and their use are given. Processing of procurement including advertisement, pre-qualifications,

processing of Tenders etc. are given in chapter five where there are 13 Rules (Rule 90 to Rule 102). In chapter six, guideline for procurement of intellectual and professional services is given where there are 24 Rules (Rule 103 to Rule 126). Rule 127 and Rule 128 constitute chapter seven and chapter eight respectively. Professional misconduct is described in chapter seven and E-government procurement is described in chapter eight. In chapter nine, miscellaneous issues are described where there are 2 Rules (Rule 129 and Rule 130) As a part of literature review, the PPA 2006 and PPR 20082 with all amendments have been studied thoroughly. The rules which seemed as the basis of compliance KPIs were reviewed keenly.

2.6 Key Performance Indicator (KPI): Meaning and importance

Key Performance Indicators, also known as KPIs, help an organization to define and measure progress toward organizational goals. These KPIs are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. Once an organization has analyzed its mission, identified all its stakeholders, and defined its goals, it needs a way to measure progress toward those goals. Key Performance Indicators are those measurements.

KPIs allow organization adequate measures of performances from the standardized activities. Importance of performance measuring is very significant, which also can be found in a proverb: *If you want to improve something, you have to measure it.* Velimirovic *et.al.*, (2011) stated that continual measuring is a base for continual improvements of organization performances which is one of the most important management principles.

Key performance indicators (KPIs) are clear qualitative or quantitative statements which define adequate or desired performance in key areas (critical success factors and against which progress and performance can be measured. The important point about KPIs is that

they state performance goals in a way that is capable of direct, detailed, consistent measurement at operational level, using available data collection systems.

Where possible, such goals will be quantitative. That is, numerical or statistical. They may, for example, be expressed in terms of cost (eg cost per service delivery, amount of cost savings), time (eg hours per service delivery), quantity of outputs (eg project completions per year, units delivered per month, number of cost reduction initiatives or innovations proposed) or other statistics (e.g. the proportion or ratio of deliveries made on-time-in-full, or the number of customer complaints per review period).

Some targets, however, will be more qualitative. That is, subjective and pertaining to qualities or attributes that cannot readily be quantified. For example, you may want to evaluate customer satisfaction, the effectiveness of a supplier's account management, or the supply chain's flexibility and responsiveness, commitment to quality or social and environmental responsibility. Even so, KPIs in these areas should be expressed as quantitatively as possible: the proportion of outcomes rated satisfactory or non-satisfactory by customers; the degree of satisfaction expressed by customers(eg using rate scales or points scores); the proportion of requests and proposals responded to, and how quickly; scores on commitment to quality obtained via attitude surveys; number of Critical incidents illustrating irresponsible conduct; and so on.

Effective performance measures and objectives are often described by the acronym **‘SMART’**.

- ***Specific***: clear and well defined statement of precisely what the desired outcomes or deliverables are, so that participant stakeholders know what they are committing to and accountable for.
- ***Measurable***: susceptible to monitoring, review and measurement (ideally in quantitative or numerical terms) so that participants can meaningfully assess progress and achievement.
- ***Attainable***: achievable and realistic, given the time and resources available- even if the aim is to be ‘stretching’ or to stimulate improvement, attainment of the required level of performance must be possible.
- ***Relevant***: performance measures should be relevant to, and aligned with, corporate, business and supply chain strategies, critical success factors and objectives.
- ***Time-bounded***: given defined timescales and deadlines for completion (or review) – i.e. not ‘open ended’.

Nuthall argues that ‘good’ performance measures have seven distinguishing characteristics.

- They are directly related to objectives and strategies.
- They are comprehensive and well balanced, including key dimensions such as customer satisfaction, internal efficiency and financial results.
- They are understandable (simple enough to be understood and used) but not under determining (oversimplified and unrealistic).
- They are meaningful: providing management with focus and direction for action.
- They vary between locations and customer segments. This is important in diversified organizations with multiple products and services, markets, categories etc.

- They vary over time, taking account of STEEPLE factors, customer requirements and changing corporate objectives.
- They provide fast feedback, allowing problems to be detected and resolved quickly- especially in lean and agile supply chains.

2.7 Benefits and limitations of KPIs in improving performance

Some of the benefits of using KPIs as performance measures are as follows:

- Increased and improved (results-focused) communication on performance issues
- Motivation to achieve or surpass the specified performance level (particularly with KPI-linked incentives, rewards or penalties)
- Support for collaborative buyer-supplier relations, by enabling integrated or two-way performance measurement (with KPIs on both sides of the relationship)
- The ability directly to compare year on year performance, to identify improvement or deterioration trends
- Focus on key results areas (critical success factors} such as cost reduction and quality improvement.
- Reduced conflict arising from causes such as goal confusion and unclear expectations

Setting KPIs for supplier or supply chain performance, in particular, may be beneficial for strategic supply chain management in the following areas.

- Setting clear performance criteria and expectations
- Managing identified supply chain risks
- Focusing attention on integrated performance measures and critical success factors for the supply chain as a whole, in order to 20rganiza sub-optimal behavior
- Supporting performance management and improvement

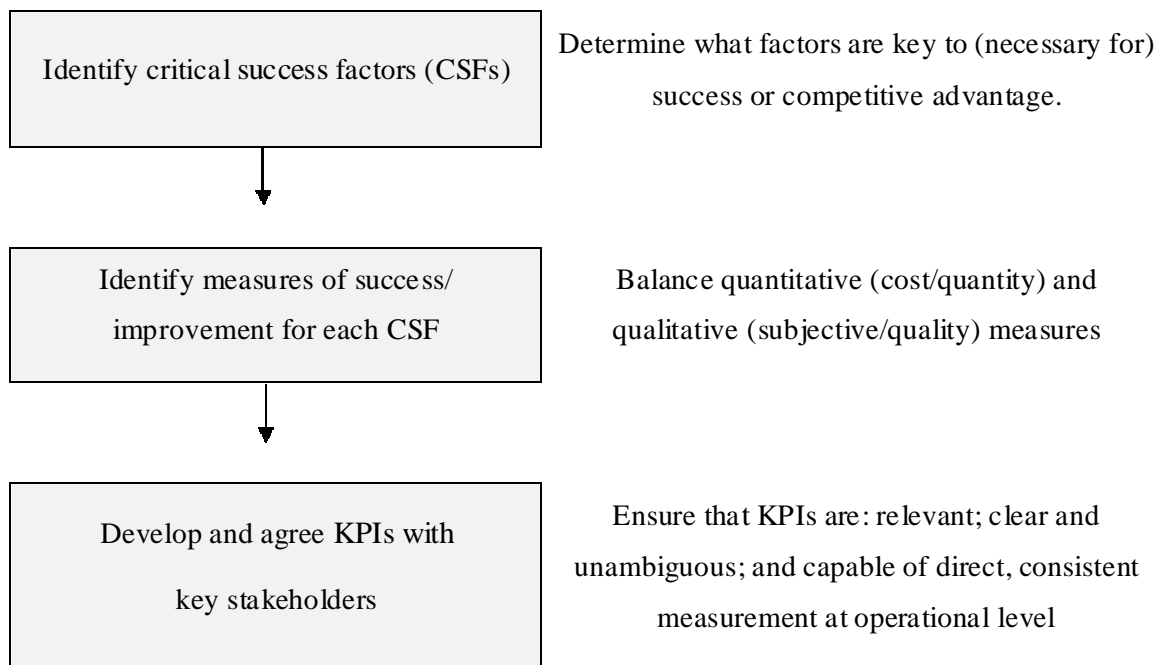
- Identifying high-performing suppliers and relationships with potential for developing partnership or strategic alliances
- Providing feedback for learning and continuous improvement in the supply chain and buyer-supplier relationship management.

KPIs can have some disadvantages as well. The pursuit of individual KPIs can lead to some dysfunctional or sub-optimal behavior: cutting corners on quality or service to achieve productivity or time targets, say, or units focusing on their own targets at the expense of cross-functional collaboration and co-ordination. Targets will have to be carefully set with these potential problems in mind.

2.8 Developing KPIs

Standard KPIs or performance metrics may be used by an organization for certain types of routine procurements. KPIs will not have to be systematically developed, using rigorous analysis, in all circumstances- and indeed, such a process would not be justified on cost-benefit grounds. However, for complex, high-value, new-buy contracts and projects, it may be necessary and justifiable to apply a systematic (and ideally collaborative) process to develop suitable performance metrics.

A simple process for developing KPIs is 22rganizati in the following figure.



Here are some key points to note.

- It is critical to align supplier KPIs with supply chain objectives, which in turn must be aligned with corporate and business goals and critical success factors.
- You don't want to specify too many KPIs: only those that are indicative measures of performance in areas necessary to achieve critical success factors. Eight to ten well-formulated KPIs may be realistic for any given planning and control period.
- Effective communication is essential in KPI development. The buying 22rganization will need to be able to explain to suppliers exactly what performance standard is expected. Suppliers may be able to contribute valuable expertise and experience to the process, and consultation creates a better likelihood of 'buy-in' or commitment to jointly-developed KPIs.

2.9 Compliance: Meaning and significance

Compliance means the act adhering to, and demonstrating adherence to, a standard or regulation. In the context of procurement, compliance is the state of being in accordance with the relevant policies, rules and regulations.

Compliance indicates to what extent the procuring entities adhere to the procurement rules and procedures specified in the PPA 2006 and PPR 2008.

KPI 6: Average number of days between publishing of advertisement and Tender submission deadline

Average number of days between publishing of advertisement and Tender submission deadline (KPI 6) has been emerged from Rule 61(4) and 64 (5) of PPR 2008. This has been clearly explained in Schedule II of PPR 2008. According to the provisions of PPR 2008, the allowable maximum time between publishing of an Invitation for Tender (IFT) and tender submission deadline depends upon the estimated value of the IFT. In general, it is minimum 14 days and maximum 28 days. However, for an emergency, time can be reduced to 10 days (in case of OTM) to 7 days (in case of LTM).

KPI 11: Percentage of cases TOC included at least ONE member from TEC

Rule 7 of PPR 2008 expresses how the Tender Opening Committee (TOC) will be formed and this is the base for KPI 11 (*Percentage of cases TOC included at least ONE member from TEC*). According the to the provision of Rule 7, there should three members in the TOC one of them must be from Tender Evaluation Committee (TEC) and two others from concerned procuring entity and other organization.

KPI 13: Percentage of cases TEC included two external members outside the Ministry or Division

Percentage of cases TEC included two external members outside the Ministry or Division (KPI 13) is adhered to Rule 8 which has explained in Schedule II of PPR 2008. As per provision of Rule 8, TEC should be constituted with minimum five (5) and normally not exceeding seven (7) members, two (2) of whom at least shall be from outside the Ministry or Division or agencies under it. However, for low value procurement, TEC should be formed with minimum three (3) members, one (1) of whom shall be from other agency or procuring entity.

KPI 14: Average number of days between Tender opening and completion of evaluation

Rule 36 explains the procurement approval procedure which has been explained in more details in Schedule 3 of PPR 2008. KPI 14 (*Average number of days between Tender opening and completion of evaluation*) is based on the stated rule earlier. Depending on the contract approving authority (CAA), it varies from 2 to 3 weeks.

KPI 19: Average number of days taken between submissions of Tender Evaluation Report and approval of contract

Average number of days taken between submission of Tender Evaluation Report and approval of contract (KPI 19) is also concerned with Rule 14 and 36 of PPR 2008. Depending on CAA, it varies from one (1) week (for PD, PM or AO) to two (2) weeks (HOPE, Ministry, CCGP).

KPI 20: Percentage of Tenders approved by the proper financial delegated authority

Rule 36 also explains that Delegation of Financial Powers (DoFP) issued by Finance Division, Ministry of Finance (MoF) should be followed in case of approval of procurement/tender. This is a vital issue of ensuring transparency in procurement and has been base for KPI 20 (*Percentage of Tenders approved by the proper financial delegated authority*)

KPI 21: Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below

Where the Approving Authority is at the level of the Head of a Procuring Entity or Project Director (PD), Project Manager (PM), or an authorized officer (AO) as per DoFP, it is the rule to submit the Tender Evaluation Report (TER) by the TEC directly to the Head of the Procuring Entity (HOPE) or the Project Director, Project Manager, or the authorized officer for approval [Rule 36(3)]. This is the basis of KPI 21 (*Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below*) which has been fixed for compliance monitoring of PPR 2008.

KPI 25: Average number of days between final approval and Notification of Award (NOA)

Average number of days between final approval and Notification of Award (NOA) (KPI 25) has emerged from Rule 36 (4) which has been described in Schedule II of PPR 2008. It is generally within seven (7) working days of receipt of the approval but before expiry of the tender or proposal validity date. This has been carefully noticed in compliance monitoring of PPR 2008.

KPI 31: Percentage of Contracts having liquidated damage imposed for delayed delivery/completion

As per Rule 39 (27), the contractor shall be liable to pay liquidated damages at the rate per day or week as specified in the contract for each day of delay from the Intended Completion Date (ICD) of the original contract or extended completion date provided that the total amount of liquidated damages shall not exceed the amount defined in the contract. On the basis of this, KPI 31 (*Percentage of Contracts having liquidated damage imposed for delayed delivery/completion*) has been formulated for studying compliance of PPR 2008.

KPI 33: Average number of days taken to release payment from the date of certificate of PM/Engineer

As a measure of compliance monitoring of PPR 2008, *average number of days taken to release payment from the date of certificate of PM/Engineer* (KPI 33) has been taken under consideration. This KPI 33 has been formulated from Rule 39(22). There it has been specified that the Procuring Entity shall pay the contractor the amounts certified by the Project Manager (PM) within twenty eight (28) days of the Project Manager's issuing a certificate of completion.

KPI 35: Percentage of Contracts where interest for delayed payments was made

Payment of interest is a mandatory requirement of PPR 2008. As a compliance monitoring, it has been looked for whether interest were paid for the delayed payment or not. KPI 35 (*Percentage of Contracts where interest for delayed payments was made*) was solely developed for this.

2.10 Delegation of Financial Powers for Development Projects and Sub-delegation

Delegation of Financial Powers (DoFP) and sub-delegation thereof are important documents closely linked to the PPR 2008. These documents have been issued by the Finance Division of the Ministry of Finance, Government of the People's Republic of Bangladesh. As a part of literature review of the present study, Delegation of Financial Powers has been carefully studied and found out the contract approval capacity of different managers such as Project Director (PD), Head of Procuring Entity (HOPE), Ministry, CCGP etc.

CHAPTER – III

METHODOLOGY

Methodology

3.1 Methods of collecting data/Sampling method

A questionnaire survey was adopted for this study. Survey method was used as this is considered as the best method available to the social scientists interested in collecting primary data. It gives a clear idea about the actual facts. The questionnaires used for this study is given in **Appendix C**. The questionnaire survey was adopted for collecting primary data from different personnel of PWD related to the procurement activities of the project of constructing the BTV Headquarter building and having an acquaintance with PPA 2006 and PPR 2008. Questionnaire was given to all the members of the project team. For the in-depth information on compliance issues of PPR 2008, the project documents were thoroughly studied.

Before asking for filling the questionnaire, the general idea of the research objectives was briefed to them. After that the questionnaire was given and was requested to fill the questionnaire based on the actual data of the specific project.

After collecting data from the filled up questionnaires, it was then compiled, verified with the available project documents and arranged to prepare the report.

CHAPTER - IV

RESULTS & DISCUSSION

4.1 Results and Discussion

The purpose of this study is to find out the extent of compliance of PPR 2008 by PWD in its procurement activities in the real life project. More specifically, the purpose of the study is to assess the gap of compliance and scope of improvement for implementation of PPR 2008 in PWD.

There are 11 compliance KPI against which the procurement performance of PWD in this project has been evaluated. Findings of the study are discussed below:

KPI 6: Average number of days between publishing of advertisement and Tender submission deadline

According to Rule 61(4) of PPR 2008, the allowable maximum time between publishing of advertisement of an IFT and tender submission deadline depends upon the estimated value of the IFT. The minimum time allowed in this regard is 14 days for Procurement up to 2 (Two) crore taka, 21 days for Procurement of above 2 (Two) crore to 5 (five) crore taka, 28 days for Procurement of above 5 (five) crore taka, 10 days for re-tendering up to 2 (Two) crore take and in other cases 14 days, 42 days for International Tendering and 28 days for re-tendering.

In this project we see that the date of IFT publication was 18/06/2011 and the last date of submitting the tender was 12/07/2011, i.e. the interested participants were allowed 25 days for preparation. The estimated cost of the project was Tk. 21.63 crore. According to the guideline of PPR 2008 the minimum time allowed should be 28 days. This clearly shows that the authority did not allowed the standard number of days between publishing of advertisement and Tender submission deadline as mentioned in the Rule 61(4).

KPI 11: TOC consists of at least one member from TEC

According to Schedule II [Rule 7] of PPR 2008, Tender Opening Committee (TOC) must include one (1) member from Tender Evaluation Committee (TEC).

In this project we see that one member of TEC has been included in TOC which shows a clear compliance of PPR 2008. [Appendix-D]

KPI 13: Two external members outside the Ministry or Division included in TEC.

Like the earlier, it has been seen that PWD followed the rule of including two external members for TEC in this project. [Appendix-D]

According to Schedule II [Rule 8] of PPR 2008, Tender Evaluation Committee (TEC) must include two (2) external members outside the Ministry of the procuring entity except in the case of low value purchase.

KPI 14: Average number of days between Tender opening and completion of evaluation.

According to Schedule III [Rule 8(14), Rule 36], maximum time allowed for evaluation where Approving Authority is Project Director (PD) or Project Manager (PM) or Authorized Officer (Executive Engineer) is 2 weeks and where Approving Authority is HOPE is 3 weeks.

The present study on the project indicated that PWD could not follow the standard time schedule proposed in PPR. The date of opening the tender was 12/07/2011 and the date of completion of tender evaluation was 10/10/2011. That means the evaluation process took 13 weeks time to complete which is far more than expected.

KPI 19: Average number of days taken between submission of Tender Evaluation Report and approval of contract.

According to the provisions of PPR 2008, timeline has been specified for completion of approval of Tender Evaluation Report (TER) by the respective Contract Approving Authority (CAA) delegated with proper financial powers. As per schedule III & [Rule 8(14), Rule 36(6)], maximum time allowed for approval where Approving Authority is Project Director (PD) or Project Manager (PM) or Authorized Officer (Executive Engineer) is 1 week and where Approving Authority is HOPE is 2 weeks. In case where the approving authority is ministry, maximum time allowed for approving the TER is 5 weeks.

The present study on the project indicated that PWD could not follow the standard time schedule proposed in PPR in this issue. The TER took about 7 weeks to be approved which is far more than its allocated time.

KPI 20: Tenders approved by the proper financial delegated authority

Delegation of Financial Powers is a document issued by the Finance Division of Ministry of Finance. As per Rule 36 of PPR 2008, this delegation has to be followed strictly for the approval of the contracts.

The estimated cost of the project was Tk. 21.63 crore. According to the latest DoFP issued by financed division and endorsed by PWD, the project was properly approved by the secretary of the Ministry of Housing and Public Works.

KPI 21: TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below.

As per Rule 36(3) of PPR 2008, TEC should submit the Tender Evaluation Report (TER) directly to the Head of the Procuring Entity (HOPE) or the Project Director, Project Manager, or the authorized officer, as the case may be, for approval.

From the information collected regarding the project it is evident that Rule 36(3) of PPR 2008 has been properly followed here.

KPI 25: Average number of days between final approval and Notification of Award (NOA).

According to Schedule II [Rule 36(4)] and Schedule III [Rule 8(14)], Notification of Award (NOA) should be issued within 1 week after the approval of the approving authority.

The present study of the project indicates that PWD was very much keen to comply with this timeline. PWD successfully issued the NOA within 7 days of approval.

KPI 31: Liquidated damage clause imposed in the contract (if applicable)

As per Rule 39 (27) of PPR 2008, it is mandatory to include the liquidated damage clause in the contracts where applicable. PWD included the liquidated damage clause in the contract of this project as usually. However the contractor handed over the completed project within the approved time schedule and the liquidated damage clause was not required to apply.

KPI 33: number of days taken to release payment from the date of certificate of PM/Engineer.

According to Schedule II [Rule 39(22)], the Procuring Entity shall pay the contractor the amount certified by the Project Manager within 28 days from the date of certificate of PM/Engineer.

As seen in the project of the present study, the final payment of bill was paid on the date of certification of the bill by the project manager resulting a clear compliance of the KPI.

KPI 35: Provision of payment of interest for delayed payment

As seen in the project of the present study, the final payment was released on the due date of certification of the bill by the project manager. Hence there is no question of payment of interest for delayed payment. However from the past experience we found that PWD generally does not pay interest for delayed payment regularly in most cases.

CHAPTER - V

CONCLUSION & RECOMMENDATION

Conclusion and Recommendations

5.1 Conclusion

Compliance monitoring of PPR 2008 is a vital issue for ensuring good standards and value for money in the public procurement. The PPRP II has added a new dimension in the field of monitoring in the sense that it envisages to assess the compliance of the provisions of PPA-2006 and PPR-2008. This has made a shift from the existing approach and methods in dealing with procurement using public funds. Though awareness to some extent about PPA 2006 and PPR 2008 has already been developed within the officials and staffs of PWD through mandatory application of PPR 2008 in practice and training, it will certainly take some time to get momentum of the reform activities.

The present study results, shows a clear deviation to the rules of PPR 2008 in PWD in carrying out most of the compliance related KPIs.

In respect of KPI 6 (Average number of days between publishing of advertisement and Tender submission deadline), KPI 11 (Percentage of cases TOC included at least ONE member from TEC), KPI 13 (Percentage of cases TEC included Two external members outside the Ministry or Division), KPI 20 (Percentage of Tenders approved by the proper financial delegated authority), KPI 21 (Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below), KPI 25 (Average number of days between final approval and Notification of Award (NOA)), KPI 31 (Percentage of Contracts having liquidated damage imposed for delayed delivery/completion), and KPI 33 (Average number of days taken to release payment from the date of certificate of PM/ Engineer) PWD is doing fine. Yet there is scope and need for improvement in these areas as to have a 100% compliance of PPR 2008.

However, PWD's performance in the areas of KPI 14 (Average number of days between Tender opening and completion of evaluation), KPI 19 (Average number of days taken between submission of Tender Evaluation Report and approval of contract), KPI 35 (Provision of payment of interest for delayed payment) are not satisfactory and needs to improve these to a great extent.

5.2 Recommendations

From the present case study, it is seen that PPR 2008 is being complied in 8 KPIs and in 3 KPIs there are clear deviation from the rule. Among the 3 KPIs which are not followed properly are KPI 14 (Average number of days between Tender opening and completion of evaluation), KPI 19 (Average number of days taken between submission of Tender Evaluation Report and approval of contract), KPI 35 (Percentage of Contracts where interest for delayed payments was made). Among those 3 KPIs 2 of them are time bounded. For further improvement, following recommendations are drawn based on the study:

- In KPI 14 (Average number of days between Tender opening and completion of evaluation) PWD has taken longer time compared to the time allocated in the rule. Their main cause of delays is conventional process of verification of the papers submitted by the tenderers.

Another cause of delay is that the Additional Chief Engineer (ACE) is the chairperson of TEC in most of the projects because of the DoFP. So there is always a schedule problem to set up a TEC meeting which causes the delay.

To reduce those problems PWD may take the following measures:

- ü Invite company profiles of different suppliers and verify their experience, financial capacity and other related information which are useful for evaluation purpose.

- ü Establish a Central Procurement Division which will make and update a data base of all the Suppliers and Contractors involved with PWD. They will preserve the company profiles and other related information which can be easily accessible by TEC.
- ü TEC may be reformed and the ACE may delegate some of his power to lower authority. This will speed up the evaluation process.

• Like the previous KPI PWD in KPI 19 (Average number of days taken between submission of Tender Evaluation Report and approval of contract) has taken longer time compared to the time allocated in the rule. This delay is mainly caused by the ministry. Since PWD constructs infrastructure for other Ministry/ Department, they have to send the evaluation report to those Ministry/ Department for approval, for example PWD has to send all tender evaluation reports to Bangladesh Police for approval. This is totally unnecessary as in the TEC, there is a member from Bangladesh Police. In the project of the present study, a member of the requiring body (BTV) was included in the TEC. But again the evaluation report was approved by the ministry of information. This Additional tier of approval causes delay.

To reduce this problems the DoFP should be revised. By Empowering the lower tier will decrease the time in approval process. Also the additional tier of approval from sponsor Ministry/ Department should be eliminated from the approval process.

• In KPI 35 (Percentage of Contracts where interest for delayed payments was made) PWD is not doing well. The reason behind this to approve the additional money to pay interest and in most of the cases the officials want to avoid this issue. To improve the performance in this area they should make the provision for extra money in the DPP. Also provision for payment

of interest in case of delayed payment should be kept in the contract and implemented accordingly so that the rights of the contractor can be protected. This will ultimately improve the quality of the work by the contractor.

- Introduction to e-gp is necessary. This will automatically reduce time and improve the efficiency of the whole procurement process.
- Extensive training on Procurement law will improve the competency and confidence of the work force.
- Tender should be floated only after having availability of sufficient fund. This would ensure the timely payment to the contractor [Rule 39 (22)]
- Liquidated damage clause to be properly applied as per Rule 39 (27) of PPR 2008. The amount of liquidated damage per day or per week should be calculated on the basis of approximate real monetary loss for delay, not just on the basis of blind guessing. Compensation event needs to be properly incorporated in the tender document so that contractors can get appropriate compensation if the situation arises so.

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APPENDICE

Key Performance Monitoring Indicators

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
1	Invitation for Tender	Advertisement of Tender opportunities in Newspaper	1	Percentage of Invitation for Tender (IFT) published in Newspaper
		Advertisement of Tender opportunities in CPTU's website	2	Percentage of Invitation for Tender (above threshold) advertised in CPTU's website
		Tenders following GoB Procurement Rules	3	Percentage of Tenders following GoB Procurement Rules
		Tender following Development Partner Rules	4	Percentage of Tenders following Development Partner Rules
		Multiple locations submission Tenders	5	Percentage of Tenders allowed to submit in multiple locations
		Tender preparation time in Open Tendering Method	6	Average number of days between publishing of advertisement and Tender submission deadline
		Tender time compliance	7	Percentage of Tenders having sufficient tender submission time
		Sale of Tender documents	8	Average number of Tenderers purchased Tender Documents
		Tenderer Participation	9	Average number of Tenderers submitted Tenders
		Tenderer Participation Index	10	Ratio of number of Tender submission and number of Tender document sold
2	Tender Submission	Tender Opening Committee formation	11	Percentage of cases TOC included at least ONE member from TEC
		Tender Evaluation Committee formation	12	Percentage of cases TEC formed by Contract Approving Authority
		External member in TEC	13	Percentage of cases TEC included Two external members outside the Ministry or Division
4	Tender Opening Committee (TOC) and Tender Evaluation Committee(TEC)	Tender evaluation time	14	Average number of days between Tender opening and completion of Evaluation
		Compliance of Tender evaluation time	15	Percentage of cases Tender evaluation has been completed within timeline
		Tender Acceptance	16	Average number of responsive Tenders
		Re-Tenderding	17	Percentage of cases TEC recommended for Re-Tenderding
		Tender	18	Percentage of cases where Tender

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
		Cancellation		process cancelled
5	Tender Evaluation Report (TER) approval	Tender Evaluation Approval time	19	Average number of days taken between submission of Tender Evaluation and approval of contract
		Compliance of financial delegation	20	Percentage of Tenders approved by the proper financial delegated authority
		Submission of evaluation report to appropriate authority	21	Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below
		TER approval compliance	22	Percentage of cases contract award decision made within timeline by Contract approving Authority after submitting Tender evaluation report
		Additional review of TER	23	Percentage of cases TER reviewed by person/ committee other than the Contract Approving Authority
		Higher tier approval	24	Percentage of Tenders approved by higher tier than the Contract Approving Authority
6	Contract Award	Time for issuance of NOA to Tenderder	25	Average number of days between final approval and Notification of Award (NOA)
		Tender processing lead time	26	Average number of days between Tender opening and Notification of award (NOA)
		Total Tender processing time	27	Average number of days between Invitation for Tender (IFT) and Notification of Award
		Publication of award information	28	Percentage of Contract awards published in CPTU's website
		Efficiency in Contract Award	29	Percentage of contracts awarded within initial Tender validity period
7	Delivery/ Completion	Delivery time	30	Percentage of Contracts completed/ delivered within the original schedule as mentioned in the contract
		Liquidated damage	31	Percentage of Contracts having liquidated damage imposed for delayed delivery/completion
		Completion rate	32	Percentage of Contracts fully completed and accepted
8	Payment	Payment release compliance	33	Average number of days taken to release payment from the date of certificate of PM/ Engineer

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
		Late payment	34	Percentage of cases (considering each installment as a case) with delayed payment
		Interest paid for delayed payment	35	Percentage of Contracts where interest for delayed payments was made
9	Complaints	Tender procedure complaints	36	Percentage of Tender procedures with complaints
		Resolution of complaints with award modification	37	Percentage of complaints resulting in modification of award
		Resolution of complaints	38	Percentage of cases complaints have been resolved
		Independent Review Panel	39	Percentage of cases review panel's decision upheld
10	Contract amendments	Contract Amendment/variation	40	Percentage of contract amendments/variatio
11	Contract dispute resolution	Unresolved Disputes	41	Percentage of Contracts with unresolved disputes
12	Fraud & Corruption	Fraud & Corruption	42	Percentage of cases Fraud & Corruption detected
13	Procurement Management Capacity	Procurement training	43	Average number of trained procurement staff in each procuring entity
			44	Percentage of procuring entity which has at least one trained/certified procurement staff
			45	Total number of procurement persons in the organization with procurement training Shaded KPI's are Compliance KPIs

Appendix-B

Compliance Key Performance Indicators (KPI) for PPR 2008

Serial No.	KPI No.	Description of KPI	Related Rules of PPR 2008
1	6	Average number of days between publishing of advertisement and Tender submission deadline	Rule 61(4), 64(5), Schedule II
2	11	Percentage of cases TOC included at least ONE member from TEC	Rule 7, Schedule II
3	13	Percentage of cases TEC included Two external members outside the Ministry or Division	Rule 8, Schedule II
4	14	Average number of days between Tender opening and completion of evaluation	Rule 8 (14), 36(6), Schedule III
5	19	Average number of days taken between submission of Tender Evaluation Report and approval of contract	Rule 8 (14), 36(6), Schedule III
6	20	Percentage of Tenders approved by the proper financial delegated authority	Rule 36, Delegation of Financial Power
7	21	Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below	Rule 36(3)
8	25	Average number of days between final approval and Notification of Award (NOA)	Rule 8 (14), 36(4), Schedule II, Schedule III
9	31	Percentage of Contracts having liquidated damage imposed for delayed delivery/completion	Rule 39(27)
10	33	Average number of days taken to release payment from the date of certificate of PM/ Engineer	Rule 39(22), Schedule II
11	35	Percentage of Contracts where interest for delayed payments was made	TDS/GCC

Sample Survey Questionnaire

**Institute of Governance Studies (IGS)
BRAC University, Dhaka.**

Survey Questionnaire

Research Topic: *Performance measurement of Public Works Department on the basis of Key Performance Indicator regarding compliance to PPA (2006) & PPR (2008): Case study on construction of BTV headquarters building.*

*This is a survey questionnaire for conducting a study on the project entitled “Construction of BTV Headquarter Building” to find out how the compliance is achieved in PWD’s procurement activities on this project. The aim of this research is to find out the extent of compliance of PPR 2008 in PWD and whether there is any hindrance to follow PPR 2008. It is a part of academic necessity for the **Masters in Procurement and Supply Management** in the Institute of Governance Studies (IGS), 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.*

Part A: Respondent’s Profile

[Please put (v) mark where appropriate]

1. Name of the respondent :
(Optional)
2. Designation :
3. Name of the organization :
4. Gender : Male Female
5. Job Experience (years) : <5 5-10 11-15 15-20 >20
6. Relevancy with PWD : Employee TEC Dealing with The project
 Member
7. Educational qualification :
(Last degree obtained)
8. Did you have training on : Yes No
PPA 2006 and PPR 2008?

Part B: Assessment Questionnaire

The following questions are designed to assess the extent to which the procurement activities of PWD comply with the rules stated in PPR 2008.

[Please put (v) mark where appropriate]

1. Name of the Project/Work :

2. Type of Procurement :	<input type="checkbox"/>	Goods	<input type="checkbox"/>	Works	<input type="checkbox"/>	Service
3. Method of procurement :	<input type="checkbox"/>	OTM	<input type="checkbox"/>	LTM	<input type="checkbox"/>	TSTM
	<input type="checkbox"/>	RFQ	<input type="checkbox"/>	DPM	<input type="checkbox"/>	RTM
	<input type="checkbox"/>	QCBS	<input type="checkbox"/>	SFB		
	<input type="checkbox"/>	Other (please specify)				

4. Value of the Procurement :
(Taka in lac)

Sl no.	KPI no.	Key Performance Indicator	Respondent Answer / Comment			Researcher Comment
1.	6	Time between publishing Advertisement and Tender submission deadlinedays			
2.	11	TOC consists of at least one member from TEC	Yes	No		
3.	13	TEC consists of two external members outside the ministry/ division of PE	Yes	No		
4.	14	Time between tender opening and tender evaluationdays			
5.	19	Number of days taken between submissions of Tender Evaluation Report and approval of contractdays			
6.	20	Tender approved by				
7.	21	Has TEC submitted evaluation report directly to the Contract approving Authority where Approving Authority is HOPE or below?	Yes	No		
8.	25	Number of days between final approval and Notification of Award (NOA)days			
9.	31	Is the liquidated damage clause included in the contract imposed for delayed delivery/completion?	Yes	No	NA	
10.	33	Number of days taken to release payment from the date of certificate of PM/Engineerdays			
11.	35	Is interest for delayed payments were made?	Yes	No	NA	

Part C: Recommendation

Please give your valuable suggestions to improve the level of compliance to PPA-2006 and PPR-2008 in the procurement activities of Public Works Department.

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Signature of the Respondent
(optional)

Appendix-D

**Tender Opening Committee (TOC) &
Tender Evaluation Committee (TEC) members**

Tender Opening Committee (TOC)	:	1) Divisional Accountant, Dhaka PWD Division-IV, Dhaka. 2) Assistant Engineer (Staff Officer), Dhaka PWD Division-IV, Dhaka. 3) Representative of Bangladesh Television. 4) Sub-divisional Engineer, Railway Diversion PWD Sub-Division, Dhaka. 5) Executive Engineer, Dhaka PWD Division-IV, Dhaka.
Tender Evaluation Committee member from TOC	:	Executive Engineer, Dhaka PWD Division-IV, Dhaka.
Tender Evaluation Committee members (TEC)	:	1) Additional Chief Engineer, Dhaka PWD Zone, Dhaka. 2) Superintending Engineer, Dhaka PWD Circle-II, Dhaka. 3) Superintending Engineer, PWD E/M P & D Circle, Dhaka. 4) Representative of Bangladesh Television. 5) Executive Engineer, Research & Development Division, DPHE, Dhaka. 6) Executive Engineer, RHD, Dhaka. 7) Executive Engineer, Dhaka PWD Division-IV, Dhaka
a) Total member	:	7 (Seven) Nos.
b) TEC members from user end:	:	Representative of Bangladesh Television.
c) TEC members from outside	:	1) Executive Engineer, RHD, Dhaka.

Procuring Entity:	:	2) Executive Engineer, DPHE, Dhaka.
d) TEC members from Procuring Entity:	:	1) Additional Chief Engineer, Dhaka PWD Zone, Dhaka. 2) Superintending Engineer, Dhaka PWD Circle-II, Dhaka. 3) Superintending Engineer, PWD E/M P & D Circle, Dhaka. 4) Executive Engineer, Dhaka PWD Division-IV, Dhaka.
TEC Chairperson:	:	Additional Chief Engineer Dhaka PWD Zone, Dhaka.
TEC Member-Secretary:	:	Superintending Engineer, Dhaka PWD Circle-II, Dhaka.
Tender Approving Authority:	:	Ministry of Housing & Public Works.