

Implementation Challenges of Sustainability Practice in Public Procurement in Bangladesh: Role of CPTU

Submitted by
Muhammad Ali Prince
MPSM ID: 17382002
Session: 2017-2018

Dissertation Submitted in partial fulfillment of the requirements for the
degree of Masters in Procurement and Supply Management (MPSM)

BRAC Institute of Governance and Development
BRAC University
Dhaka, Bangladesh
July, 2019



Implementation Challenges of Sustainability Practice in Public Procurement in Bangladesh: Role of CPTU

Under the Supervision of

Mir Mehbubur Rahman, MCIPS
Procurement Consultant
The World Bank Office, Dhaka
&
Faculty
BIGD (BRAC Institute of Governance
and Development)
BRAC University, Dhaka-1212

Prepared By

Muhammad Ali Prince
MPSM ID: 17382002
Session: 2017-2018
Masters in Procurement and Supply
Management (MPSM),
BRAC University, Dhaka-1212

DECLARATION

It is hereby declared that the titled dissertation has been written by me as a part of Masters degree course at Brac University and this dissertation or any part of it has not been submitted elsewhere for the award of any degree or diploma. I have acknowledged all main sources of assistance.

Muhammad Ali Prince

MPSM ID: 17382002

Session: 2017-2018

Masters in Procurement and Supply Management (MPSM)

BRAC University, Dhaka-1212

Approval

This dissertation Titled “Implementation Challenges of Sustainability Practice in Public Procurement in Bangladesh: Role of CPTU” submitted by Muhammad Ali Prince, Student ID-17382002 of 6th semester, 2nd year of session 2017-2018 has been accepted as satisfactory in partial fulfillment of the requirement for the degree of MPSM. I have found the dissertation satisfactory for submission to BRAC Institute of Governance and Development (BIGD), BRAC University.

Mir Mehbubur Rahman, MCIPS

Supervisor

Procurement Consultant,

The World Bank Office, Dhaka

&

Faculty, BIGD (BRAC Institute of Governance
and Development)

BRAC University, Dhaka-1212

ACKNOWLEDGEMENT

I gratefully recognize that, different people and organizations have provided their generous help and advice to carry out my dissertation work. I am indebted to all who are related directly or indirectly to the preparation and finalization of my research work. Special thanks are due to those researchers, authors, and scholars whose contribution can be regarded as a foundation stone of this dissertation. I would like to express my deepest and sincerest gratitude to my respected supervisor Mir Mehbubur Rahman, MCIPS, Procurement Consultant, The World Bank Office, Dhaka & Faculty of Brac Institute of Governance and Development (BIGD), BRAC University who sincerely guided me for carrying out this study and the completion of research work.

I would like to express my gratitude to all the respondents including the officials of Central Procurement Technical Unit (CPTU) who provided me with necessary information and Support. I like to thank all officials and supporting staffs of BIGD who constantly helped and supported me to carry out my dissertation work.

Finally, I thank to all of my friends, well-wishers and family members who directly or indirectly helped and inspired me in completing my research work.

ABSTRACT

Sustainable Procurement (SP) is one of the most vital criteria for achieving sustainable development. In sustainable procurement; economic, social and environmental sustainability are considered in taking any purchasing decision. Government takes lead role in total amount purchasing of any country in every year. Government has to procure various types of goods, works and services all the year round. The objectives of public procurement is to ensure economic development and welfare of the country rather than making profit like private sector. The volume of Public procurement is increasing every year. Government declares Annual development Programme (ADP) in each Fiscal year. To make ADP sustainable, effective public procurement is a pre-requisite. Public procurement is guided by principles of transparency, accountability and achieving value for money. The Central Procurement Technical Unit (CPTU) is a permanent institution of Government of Bangladesh to carry out committed transparency, efficiency, fair competition and best value for money in public procurement process. The Public Procurement Act, 2006 and The Public Procurement Rule, 2008 were established and implemented by the active supervision of CPTU.

CPTU is working with full of commitment to constitute an integrated procurement framework and guideline for procurers and bidders. Before the establishment of CPTU, there were no uniform guideline and set rules for procurement sector in Bangladesh. As an umbrella organization, CPTU has been working to ensure economy, efficiency, transparency, accountability, fairness and best value for money in whole process of procurement. Now CPTU is dedicated to achieve the criteria of sustainable procurement target of SDGs goal (Target 12.7) by 2030.

This study tried to reveal the current practice regarding sustainable procurement in bidding procedure, and the role of CPTU. For that working process was- analyzing the Annual Reports, relevant project conducted by CPTU, interviews with procurement professionals and practitioners in public sector. This survey study indicates that, there are a few cases where procurement

professionals & consultants working at CPTU are considering economic, social and environmental features of sustainability issues but these are not very common as a whole. Some recommendations are put forward based on primary and secondary data of this research. Although CPTU is trying to expand its mandate on implementing sustainability in public sector procurement in Bangladesh, sustainability criteria should be incorporated in STDs, PPA 2006 and PPR 2008 should be amended to address sustainable procurement issues more.

Finally, there is an enormous opportunity to proceed further study on the sustainability in public procurement issue. Advanced research requires in order to acquiring an intense apprehension into the sustainable public procurement issue in relation to the role of CPTU in Bangladesh.

Table of Contents

Declaration	III
Approval.....	IV
Acknowledgement.....	V
Abstract	VI
Table of Contents	VIII
List of Acronyms.....	X
List of Figures	XII
List of Tables	XIII

Chapter 1

Introduction

1.1 Background of the study	1
1.2 Statement of the problem	2
1.3 Objectives and Research Questions of the Study.....	2
1.4 Methodology of the study.....	3
1.5 Scopes and Limitations of the Study	4
1.6 Organization of the Research	5

Chapter 2

Literature review

2.1 Concept of sustainability.....	6
2.2 Concept of sustainable development	8
2.3 The Triple Bottom Line	9
2.4 The Concept of Sustainable Procurement	9
2.5 Sustainable Public Procurement	11

2.6	Benefits of Sustainable Procurement -----	11
2.7	CPTU and Public Procurement Reform in Bangladesh -----	12
2.8	Strategic Plan of CPTU to ensure SPP -----	17
Chapter 3		
3.1	Data Analysis & Findings -----	18
3.2	General information of Respondent (Section-A) -----	19
3.3	Concept of Sustainability (Section-B) -----	20
3.4	Sustainability Practice in Public Procurement (Section-C)-----	22
Chapter 4		
Recommendations & Conclusions		
4.1	Recommendation -----	32
4.2	Conclusions-----	33
References		34
Appendix		35

LIST OF ACRONYMS

ADP	Annual Development Programme
BVFM	Best Value for Money
CPTU	Central Procurement Technical Unit
CPAR	The Country Procurement Assessment Report
CSR	Corporate Social Responsibility
DOFP	Delegation of Financial Power
FY	Fiscal Year
IMED	Implementation Monitoring and Evaluation Division
KPI	Key Performance Indicators
LTM	Limited Tendering Method
OTM	Open Tendering Method
PA	Procurement Agency
PE	Procurement Entity
PPA	Public Procurement Act
PPP	Purchasing Power Parity
PPR	Public Procurement Rules
PSO	Public Sector Organization
SDGs	Sustainable Development Goals
SP	Sustainable Procurement
SPP	Sustainable Public Procurement
SRFPs	Standard Request for Proposals
STDs	Standard Tender Documents
TBL	Triple Bottom Line
UK	The United Kingdom
UN	United Nations
VFM	Value for Money

WB	World Bank
WLC	Whole Life Costing
WTO	World Trade Organization
BREB	Bangladesh Rural Electrification Board
BWDB	Bangladesh Water Development Board
LGED	Local Government Engineering Department
RHD	Roads and Highways Department

LIST OF FIGURES

- Figure 1.1: Educational Qualification of respondents
- Figure 1.2: Considering the experience in procurement functions
- Figure 1.3: Procurement Consideration
- Figure 1.4: Having enough training to conduct public procurement activity
- Figure 1.5: Present Act and rules (PPA 2006 and PPR 2008) have addressed SP (Sustainable Procurement) Properly
- Figure 1.6: Domestic preference should be a criterion for awarding bids to a supplier
- Figure 1.7: The issue of child labor should be a criterion for awarding bids to a supplier
- Figure 1.8: Environmental consideration should be a criterion for awarding bids to a supplier
- Figure 1.9: Bidder's attractiveness as a criterion for awarding bids to a supplier
- Figure 1.10: Role of CPTU to ensure Sustainable Procurement
- Figure 1.11: More awareness and best practice needed to ensure SP in Bangladesh
- Figure 1.12: SP issues should be incorporated in PPA 06 and PPR 08 more

List of Tables

Table 1.1:	Having enough training to conduct public procurement activity
Table 1.2:	Present Act and rules (PPA 2006 and PPR 2008) have addressed SP (Sustainable Procurement) Properly
Table 1.3:	Domestic preference should be a criterion for awarding bids to a supplier
Table 1.4:	The issue of child labor should be a criterion for awarding bids to a supplier
Table 1.5:	Environmental consideration should be a criterion for awarding bids to a supplier
Table 1.6:	Bidder's attractiveness as a criterion for awarding bids to a supplier
Table 1.7:	Role of CPTU to ensure Sustainable Procurement
Table 1.8:	More awareness and best practice needed to ensure SP in Bangladesh
Table 1.9:	SP issues should be incorporated in PPA 06 and PPR 08 more

Chapter 01

Introduction

1.1 Background of the Study

Effective procurement is a major consideration for government organizations due to involvement of huge amount of tax payers' money in buying goods, works and services from external sources through competitive tendering process. As a procurer, government has to ensure quantity, time and quality of those goods, works and services while acquiring in best possible price. To ensure value for money the above mentioned criteria must be exhausted. The volume of public procurement is increasing and products are getting changed in design and quality. For this reason, it is not enough for procurers to consider the tendering process only, they have to intervene in supply chain to get the most effective products and services from bidders both in international and domestic tendering. Thus, the concept of sustainability in public procurement is becoming a huge concern in new procurement method.

Through sustainable procurement buying organizations express their commitment of procuring goods, works and services maintaining the sustainability criteria in product design, development, supply operation, maintenance, reuse and suppliers potential to address these outcome throughout the supply chain.

Sustainable Procurement is not only considering the initial purchase price and short term costs but also giving priorities on whole life cycle costs. Longer term impacts of each purchase is also considered in this concept of procurement.

Life cycle costing or whole life cost is the process of estimating how much money one will spend on an asset over the course of its useful life. It includes purchasing cost, use, maintenance and disposal of that asset.

1.2 Statement of the Problem

This research has been conducted with a view to attain a better perception of how sustainable public procurement can be introduced facing its challenges under the responsibility of CPTU (Central Procurement Technical Unit) and the level of understanding of CPTU officials on sustainable issues like environmental, social and economic considerations in public sector procurement. This research also intends to show how officials of other government organizations evaluate the role of CPTU as a procurement policy maker and implementer of SP in Bangladesh.

The other objective is to evaluate the level of their preparedness to introduce sustainable public procurement.

The third objective is to determine the existing sustainability practices in the public procurement process in Bangladesh.

1.3 Objectives and Research Questions of the Study

1.3.1 Research Objectives

The purpose of this study is to know the current condition of sustainable Procurement in Bangladesh. Later, it identifies the physical, logistic and technical challenges in implementation of sustainable procurement in Bangladesh. The more specific objectives of this study are:

- a) To identify the challenges in implementing sustainable procurement in Bangladesh and the role of CPTU (Central Procurement Technical Unit);
- b) Provide recommendations for overcoming these challenges for successful implementation of sustainable procurement in Bangladesh.

1.3.2 Research Question

In respect to the above mentioned objectives the following research questions are important consideration:

- a) What are the current practices at CPTU to implement sustainable procurement?
- b) What are the challenges of implementing sustainable procurement in Bangladesh?
- c) What are the possible solutions of the problem?

1.4 Methodology of the Study

The nature of the study is a survey research where the researcher has traversed the challenges of implementing SP (Sustainable Procurement) by CPTU in Bangladesh. Both qualitative and quantitative data have been collected for this research for clear understanding of the research problem. CPTU has been selected as a study area. The government officials and consultants working at CPTU in implementing SP (Sustainable Procurement) and some officials of other government organizations are considered as population of the study. Purposive sampling used to select the sample.

The sample size is twenty persons. There are two categories of samples, among them fifteen are from CPTU's office personnel and rest five is from other ministry officials.

Data was collected from two sources; these are-Primary sources and Secondary sources. This study is conducted based on Primary data. Primary data is collected from CPTU office personnel including government officials of different level and procurement consultants and officials from other ministries. Online Newspapers, Organizational office records, research works, Journals, internet browsing etc. are the secondary data source of this research. Interview schedule is used as data collection technique. Notebook is used as an instrument for collecting information. The Interview schedule is developed and finalized as per instruction of my supervisor. After formulating the interview schedule; it has been pre-tested, modified and reorganized some parts of the interview schedule. After collecting data, findings have been analyzed as well as displayed in charts and tabulated properly based on the characteristics of data.

1.5 Scopes and Limitations of the Study

This research area only covers procurement policy activities implementing by CPTU. Time is the key limitation of this study. For time constrains only 20 people were interviewed for this survey. One thing must be mentioned here that, all the information may not be easily attainable or exhibit because of government rules and regulations.

1.6 Organization of the Research

This research report has four chapters. They are discussed below:

Chapter 1 focuses on background, statement of the problem, objectives of the study, core research questions and research methodology.

Chapter 2 discusses about the literature review of the research. This chapter will give a lucid picture of CPTU, Procurement, Sustainable Procurement, Sustainable Public Procurement Practices in Bangladesh and the role of CPTU.

Chapter 3 analyses the findings of this study.

Chapter 4 provides recommendations and conclusion of this research.

Chapter 02

Literature review

Bangladesh makes substantial investment in annual development programme (ADP) each year. The market-based economy of Bangladesh is one of the fastest growing economies in the world. It's the 41st largest in the world in nominal terms and 30th largest by purchasing power parity (PPP) [Economy of Bangladesh]. The Annual Development programme proposed for FY 2019-20 is TK. 2,02,721 crore and it can be easily assumed that size of government procurement is huge which is getting larger shape in every year. [Government Budget of FY 2019-20]. Bangladesh has been making sustainable efforts over the years to bring about a systemic change in its public procurement environment. The country now has a good foundation of public procurement system that includes a well-functioning nodal agency, the central procurement act with rules and associated documentations, an extensive capacity development program, a single entire country (www.cptu.gov.bd) online performance measurement mechanism and a citizen engagement system supported by a comprehensive strategic and behavioral change communication Program.

2.1 Concept of Sustainability

Sustainability indicates the potentiality of an activity to be continued at a similar nature in the future. Particularly it means ensuring that actions are taken today do not limit or compromise our plans or quality of life in the future. Sustainability is defined as a long-term view of making decisions; to ensure that meeting our own needs does not compromise the needs of others both today & for future generations.(Sustainable Procurement Guide of British Standard Institute). The notion of sustainability was first unfolded into mainstream

dialogue in 1972 during United Nations conference on the Human Environment (Stockholm Declaration). At that time environment concerns were about to be raised in development considerations. Representatives of the conference were trying to find out a solution of the debate which is more important: economic development or environmental protection?

At that conference UN had perceived that economic development & environmental protection are inseparably associated and mutually reinforcing. Economic development is required to uplift the standard of living and to support investment in environmental conservation and usable technologies. At the same time, any initiative to improve human wellbeing that threatened the environment was destined to failure in the long run. If we exhaust more resources unnecessarily and leave environmental degradation and pollution unnoticed, it will impact on safety of future generation.

Gro Harlem Brundtland was appointed by UN to find out possible strategies to keep the pace of economic development without hindering the environment. The Brundtland commission defined sustainable development in their report 'Our Common Future' in 1987 as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. [Our Common Future: The world commission on Environment and Development]

The Rio declaration consisted of 27 principles intended to guide countries in future sustainable development. In Rio declaration (1992), the idea of sustainable development took a broader shape where human right and social justice issues were added. The feature of economic, social and environmental view of sustainability were extensively endorsed.

In 1994 an accounting framework known as the term 'Triple Bottom Line' (TBL) of sustainability was introduced by John Elkington to focus for the nations & organizations to measure their performance in all three areas. [Cannibals with Forks: the Triple Bottom Line of 21st Century Business book by John Elkington]

2.2 The concept of Sustainable Development

Development is a short hand term for a range of social, economic & technological activities with the broader aim of excelling condition for human life. Sustainable development is therefore the activity that can be sustained or kept up over the long term that does not undermine the conditions and resources required to preserve wellbeing into future. As per Brundtland commission criterion for sustainable development are long term decision making; interdependence among economic, environmental & social wellbeing; equity between generations & among different groups; inclusive, participatory & transparent decision making; proactive prevention of problems & minimizing risks.

It is argued sustainable development from organization's perspective as 'long-term wellbeing, for society as a whole, as well as for itself. Human & social wellbeing supports organizational survival by maintaining the flow of skilled & willing labour, consumer spending & investment (The Sustainability Handbook by William Blackburn).

2.3 The Triple Bottom Line

The triple bottom line is mainly a framework used in Accounting purpose considering three aspects-social, environmental and financial. This framework has been adopted by many organizations to appraise their performance in a extensive point of view for increased value of business. TBL theory was introduced by business writer and management consultant John Elkington in 1994. As per TBL concept, sustainable development can be measured by the following three bottom lines-environmental performance, economic development and social inclusion.

2.4 The Concept of Sustainable Procurement

Sustainable procurement is a process of acquiring goods, works and services considering the cost of acquisition, maintenance and disposal as well. The cost of whole lifecycle is assessed at the beginning of a procurement workflow. In sustainable procurement, long-term implications of each purchase on economy, society and environment is taken into account. Supply chain is indispensable part to sustainable procurement and higher degree of collaboration and consultation exists among parties.

Unlike conventional procurement, sustainable procurement looks beyond short-term fulfillment of purchasing and tries to ensure achieving broader goals linked to resource efficiency, climate change, social responsibility and economic sustainability.

A widely adopted definition of sustainable procurement was proposed by UK Sustainable Procurement Taskforce (Procuring the future). As per their definition, Sustainable Procurement is a process whereby

organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organizations but also to society and the economy whilst minimizing damage to the environment.

So it is an approach that takes economic, environment & social sustainability into account when making purchasing decision.

British Standard Institutions Sustainable Procurement guide mentioned four point aims of SP (Sustainable Procurement) –

- Negative impacts of goods, works and services should be minimized across their lifecycle and throughout the supply chain
- Demand for non-renewable resources should be minimized.
- Fair contract price and terms with meeting at least minimum ethical, human rights and employment standards should be secured.
- Diversity and equality should be boosted in the organization and throughout supply chain.

Three Ps (3Ps) approach of procurement function to add value through sustainability -

Profit-	adding economic value
Planet-	adding environmental value
People-	adding social value

2.5 Sustainable Public Procurement

Public sector procurement is concerned with spending tax payers' money on goods, works and services. Public Procurement process is guided by acts, rules and regulations to ensure transparency, accountability and value for money. In any country of the world, the government is the single biggest procurer. That is why, it is the biggest challenge of the government to procure goods, works and services in sustainable manner. SP is the way to achieve sustainable development. Sustainability is a huge issue for both private and public sector for last few decades. In our country, it is rather a newer concept and scope of implementing SP is increasing day by day. UN SDGs target 12.7 puts emphasis on sustainable public procurement as 'promote public procurement practices that are sustainable in accordance with national policies and priorities'. That is why sustainable public procurement is our national priority.

2.6 Benefits of Sustainable Procurement

Introducing sustainability criteria in public procurement as a priority guideline of SDGs (target 12.7), countries are adopting sustainability criteria in public procurement process. This will ensure achieving the target of procuring goods, works and services without creating much harm to society and the environment by meeting the following issues:

- ❖ Attaining value for money
- ❖ Enhancing ethical behavior of suppliers/bidders
- ❖ Promoting working conditions -health and safety, labour standards etc.
- ❖ Fostering condition of disadvantaged groups in the country
- ❖ Lessening harmful emissions and waste generation
- ❖ Nurturing air, water, soil quality
- ❖ Involving local industries to practice sustainability

2.7 CPTU and Public Procurement Reform in Bangladesh

The Government of Bangladesh, as part of strengthening overall sectoral governance, embarked upon a comprehensive effort to improve performance of public procurement.

In order to achieve its aim and objective, a permanent unit, named as Central Procurement Technical Unit (CPTU) was established in 2002 as a implementing unit to reform and monitor the procurement structure of the country. Reform process was implemented 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 Power (DOFP) and Several Standard Tender Documents (STDs)/Standard Request for Proposal Document for the procurement of Goods, Works and Services.

Under the supervision of CPTU the draft PPA Act and Rules were formulated and 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 31 January, 2008.

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) was prepared by World Bank in agreement with the Government of Bangladesh. The following major deficiencies in the procurement system of the Government of Bangladesh were identified through CPAR report:

- Lack of sound legal framework governing public sector procurement
- Compelled bureaucratic procedure causing delay
- Absence of planning
- Multiple layers in the approval and review process
- Scarcity in professional competence of staff to manage public procurement
- Low quality bidding documents and bid evaluation
- Ineffective administration of contracts
- Inadequate appliance for ensuring transparency and accountability.

Under the PPRP (2002/03 to 2006/07) government made significant improvements by completing following major policy reform actions- Issued Public Procurement Regulations 2003 (PPR) (remained in force up to 30 January, 2008) with the implementation of procurement process and procedures. The Procurement Act was passed in the Parliament in July 2006. The Act and the Rules contain most features of the international good public procurement practices.

As a specialized unit on public procurement practices implementation, the Central procurement Technical Unit (CPTU), was established to implement, manage and support the recommended procurement reform:

- CPTU established a website (www.cptu.gov.bd) publishing invitation to Tender, RFPs, RFQ, Contract awards on procurement for public access,
- Introduced a centralized Procurement Management Information System (PROMIS),
- A Comprehensive set of Standard Tendering Documents (STDs) were developed complying the Public Procurement Regulations 2003 for use by all government funded agencies,
- Revised the delegation of financial power,
- Public Procurement Act was ratified by the parliament in 2006,
- A new set of public procurement rules and supporting Strategic and procedural guideline were developed,

- Eventually the public procurement regulation 2003 was replaced by Public Procurement Rules, 2008, framed under Public Procurement Act, 2006.

The public Procurement Rules 2008 provides a number of changes to boost the existing procurement process of the country:

- Provision of framework contracts
- Provision of concession contracts
- Use of Request for Quotation Method for the procurement of divisible commodities in bulk
- Special provision to meet urgent national needs
- Execution of Public Procurement Reform
- Enhancement of Procurement Management Capacity

Public Procurement Reform Project II (PPRP-II):

To sustain and strengthen the public procurement reform, a technical assistance project titled 'Public Procurement Reform Project (PPRP-II)' was approved by the GOB in June 2007, implemented by the CPTU. The PPRP-II project successfully ended on 30 June 2017. In implementing those initiatives and addressing the issues PPRP-II had a comprehensive set of four (4) major components:

- Component 1: Encouraging Policy Reform and Institutionalizing Capacity Development
- Component 2: Strengthening Procurement Management at sectoral level of CPTU
- Component 3: Introducing e-Government Procurement (e-GP)
- Component 4: Expanding Behavioral Change and Social Accountability.

Digitizing Implementation Monitoring and Public Procurement project (DIMAPPP):

On 29 August 2017 a Financing agreement of US\$ 55 Million was signed between the Government of Bangladesh and the International Development Association (IDA) of the World Bank Group to implement the five year (July 2017-June 2022) “Digitizing Implementation Monitoring and Public Procurement Project (DIMAPPP)”.

The project will be implemented during July 2017-June 2022 period by Central Procurement Technical Unit (CPTU) under Implementation Monitoring and Evaluation Division (IMED) of Ministry of Planning. The DIMAPPP has four components:

- i. Restructuring CPTU and Institutionalizing e-Gp ,
- ii. Enhancing Digitization of Public Procurement ,
- iii. Professionalization Procurement and citizen Engagement (CE), and
- iv. Digitizing Project Implementation Monitoring.

A total of 32 Selected Public Sector Organizations (SPSOs) including previous four target agencies (BREB, BWDB, LGED, RHD) are considered as large expending ministries regarding size of yearly procurement. They will be the part of procurement management, monitoring and e-GP implementation. It is expected that all procuring Public Sector Organizations (SPOs) will be registered with the e-GP system and conduct e-procurement as part of government's plan of fully digitize public procurement in the country. The overall objective of the project is to improve public procurement performance and enhance capacity for implementation monitoring of development projects/programs through digitization.

2.8 Strategic Plan of CPTU to ensure SPP (Sustainable Public Procurement)

CPTU is committed to achieve SDG target 12.7 to ensure sustainable public procurement in Bangladesh. The target is to promote public procurement practice that is sustainable in accordance with national policies and priorities.

Sustainable public procurement has been aligned with the current seventh Five-Year plan and the CPTU has taken up mid-term and long term strategies to reach the goal.

CPTU has initiated a strategic plan to turn into an authority and move to formulate Bangladesh Public Procurement Authority (BPPA) Act and amend PPA-2006 and the PPR 2008 with required changes in STDs (Standard Tender Documents).

Chapter 03

Data Analysis and Findings

This Chapter represents analysis of the data collected through questionnaire survey and provides the information in detail in findings from the survey.

3.1 Analysis and Findings

The questionnaire was served to twenty persons. Most of them are government officials and consultants working at CPTU. There are some procurement practitioners working in other government organizations as well.

The data have been collected through filled up questionnaire from the respondents in order to achieve the research objectives mentioned earlier in Chapter 1.

The questionnaire was designed with a number of questions which covered implementation challenges of sustainability practice in public procurement in Bangladesh and the role of CPTU (Central Procurement Technical Unit). There are three sections in the questionnaire.

Questions of section A cover general information and experience in procurement functions of the respondents. Mentioning the name of the respondent was remained optional, so that he or she may feel free in participating in the survey.

Section B is about concept of sustainability which will provide the answer how much the respondents are aware of sustainability, sustainable public procurement and so on.

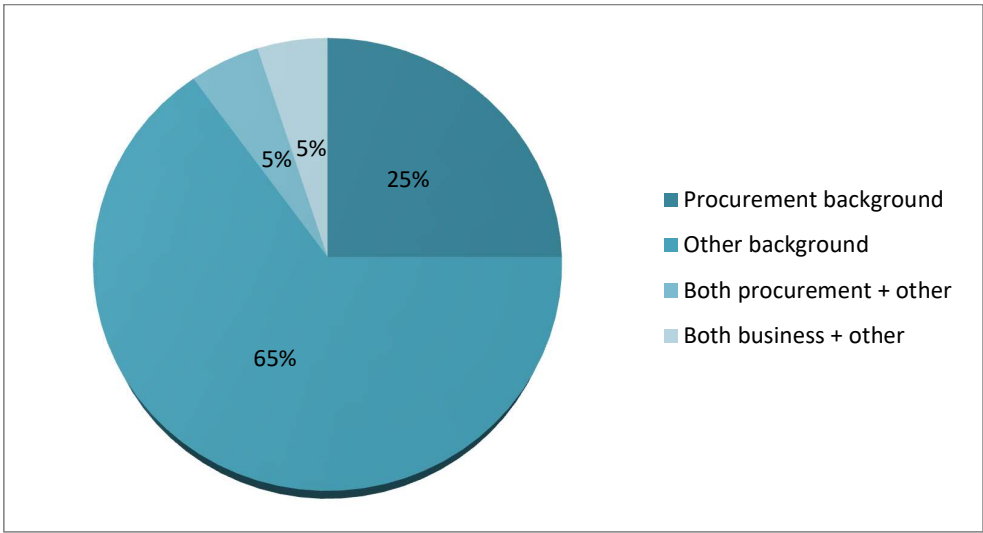
Section C is about the context of sustainability practice in public procurement, measuring the answers given by the respondents by scoring every statement from 5 to 1.

3.2 General information of Respondent (Section-A)

Total of twenty mid-level officials have been interviewed. Among them 19 were male and only one respondent was female. In percentage, 95% were male and 5% were female respondents.

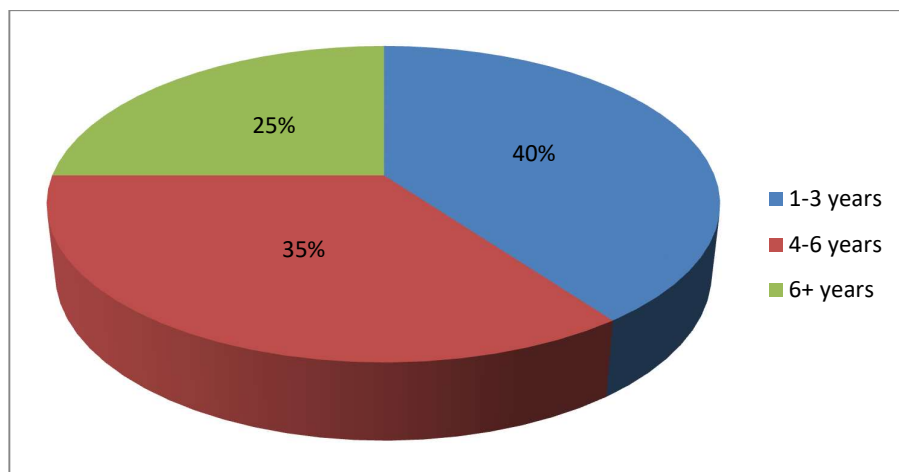
Among 20 respondents, 15 were chosen from CPTU (Central Procurement Technical Unit), other 3 were from LGED, 1 from IMED and 1 from Finance Division. It means 75% respondents were from CPTU, 15% from LGED, and 5% from IMED and 5% respondents were from Finance Division. By designation they are- Assistant Director/Assistant Engineer, Consultant, Deputy Director and Deputy Secretary.

Figure 1.1: Educational Qualification of respondents



Respondents were asked for their educational qualification with three options- (a) Procurement background (b) Business background and (c) other. Five respondents mentioned that they came from procurement background, thirteen respondents came from other background, One respondent mentioned that his background was both other and procurement, the rest one mentioned that he has both other and business background. Analysis of the study is shown in figure 1.1

Figure 1.2: Considering the experience in procurement function



This survey shows that 40% of the target group of respondents have 1-3 years, 35% have 4-6 years and 25% have 6 years or more experience in procurement functions.

3.3 Concept on Sustainability (Section-B)

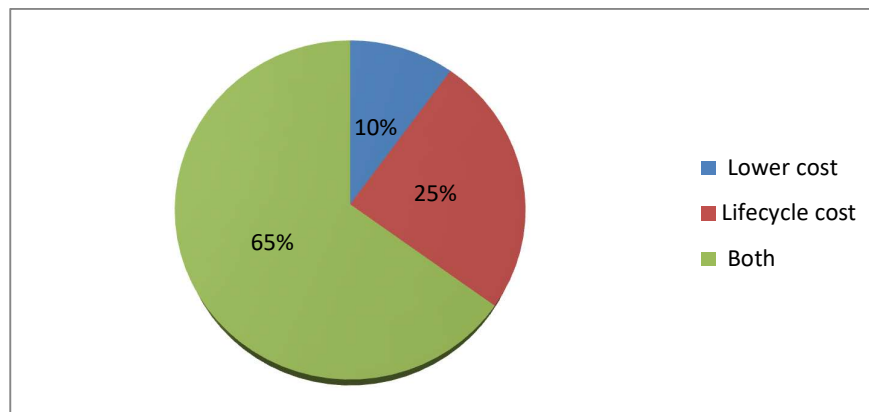
Question number 7 to 10 was asked regarding concept on sustainability of the respondents. All questions have multiple answers with minimum two options (yes/no) to maximum four options.

All respondents have answered the questions of the meaning of public procurement mentioning the three components of public procurement- goods, works and services.

All respondents have picked the correct option of the question and that is sustainable public procurement means, a process of meeting organizational need in a way that ensures best value for money on whole life basis and minimizing damage to the environment and society.

In responding the question whether they consider value for money in Procurement, all respondents answered yes.

Figure 1.3: Procurement Consideration

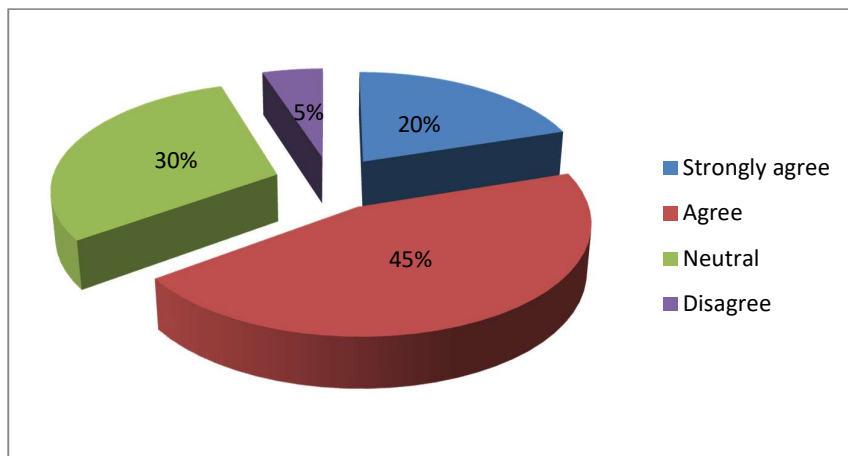


Respondents were asked the question which concepts they think important in procurement consideration and the options were (a) lower cost (b) lifecycle cost (c) both and (d) none of the above. Analysis of the study is shown in figure 1.3

3.4 Sustainability Practice in Public Procurement (Section-C)

Question 11 has nine statements and each statement has five options from 'a' to 'e' and score of 5 (in 'a') to 1 (in 'e').

Figure 1.4: having enough training to conduct public procurement activity



Respondents were asked whether they have enough training to conduct or participate in public procurement activities. Figure 1.4 shows that 20 percent strongly agreed and 45 percent agreed with this, 30 percent remain neutral. In contrast, 5 percent disagreed on this statement. Analysis of the study is shown in figure 1.4 and detail is shown in the table 1.1 below:

Table 1.1

Opinion	Person	Percentage	Score
Strongly agree	4	20%	20
Agree	9	45%	36
Neutral	6	30%	18
Disagree	1	5%	2
Strongly disagree	-	-	-

Figure 1.5: Present Act and rules (PPA 2006 and PPR 2008) have addressed SP (Sustainable Procurement) Properly

In responding the question of present Act and rules (PPA 2006 and PPR 2008) have addressed SP (Sustainable Procurement) Properly, 20 percent of the respondents were strongly agreed, 45 percent agreed, 30 percent remain neutral and 5% disagreed with the statement. Analysis of the study is shown in figure 1.4 and detail (with score) is shown in the table 1.2 below:

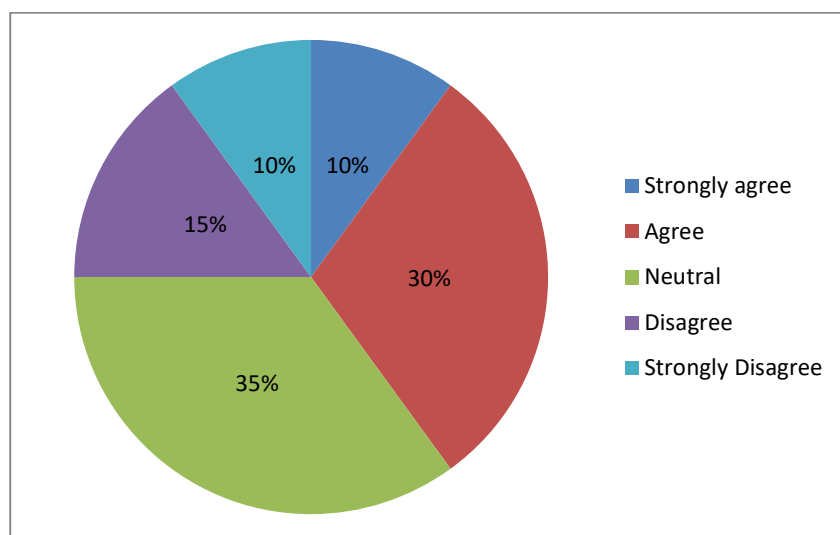


Table 1.2

Opinion	Person	Percentage	Score
Strongly agree	2	10%	10
Agree	6	30%	24
Neutral	7	35%	21
Disagree	3	15%	6
Strongly disagree	2	10%	2

Figure 1.6: Domestic preference should be a criterion for awarding bids to a supplier

The respondents were asked whether the issue of domestic preference should be a criterion for awarding bids to a supplier. 30 percent of the respondents were strongly agreed, 40 percent Agreed, 25 percent remain neutral and 5% disagreed with the statement. Analysis of the study is shown in figure 1.6 and detail (with score) is shown in the table 1.3 below:

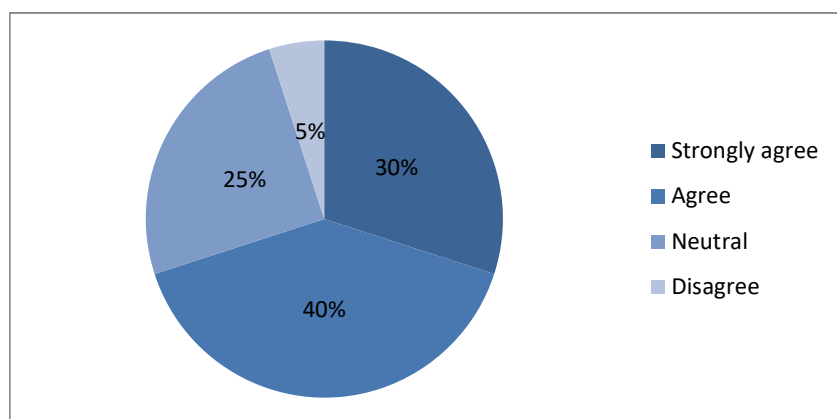


Table 1.3

Opinion	Person	Percentage	Score
Strongly agree	6	30%	30
Agree	8	40%	32
Neutral	5	25%	15
Disagree	1	5%	2
Strongly disagree	-	-	-

Figure 1.7: The issue of child labor should be a criterion for awarding bids to a supplier

The respondents were asked whether the issue of child labor should be a criterion for awarding bids to a supplier. 45 percent of the respondents were strongly agreed, 45 percent Agreed, 5 percent remain neutral and 5 percent strongly disagreed with the statement. Analysis of the study is shown in figure 1.7 and detail (with score) is shown in the table 1.4 below:

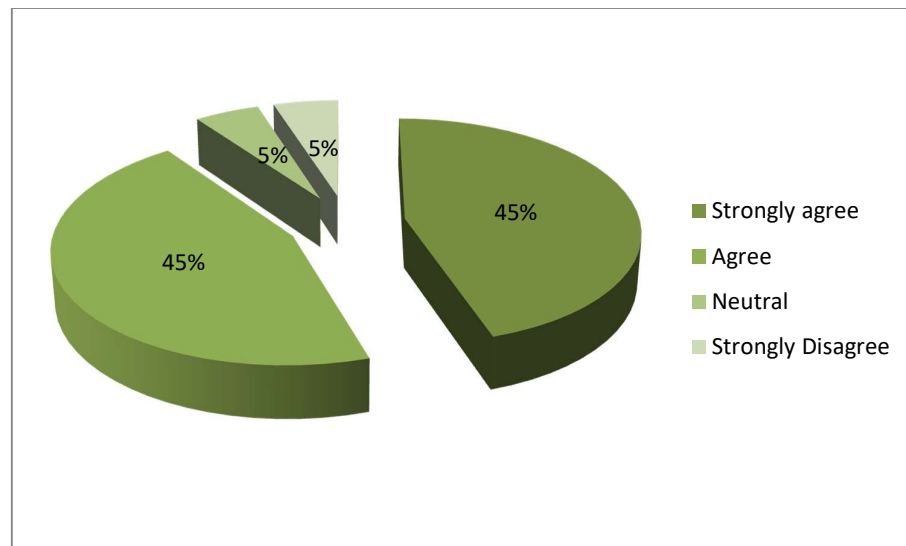


Table 1.4

Opinion	Person	Percentage	Score
Strongly agree	9	45%	45
Agree	9	45%	36
Neutral	1	5%	3
Disagree	-	-	-
Strongly Disagree	1	5%	1

Figure 1.8: Environmental consideration should be a criterion for awarding bids to a supplier

The respondents were asked whether the issue of environmental consideration should be a criterion for awarding bids to a supplier. 40 percent of the respondents were strongly agreed, 55 percent Agreed and 5 percent strongly disagreed with the statement. Analysis of the study is shown in figure 1.4 and detail (with score) is shown in the table 1.5 below:

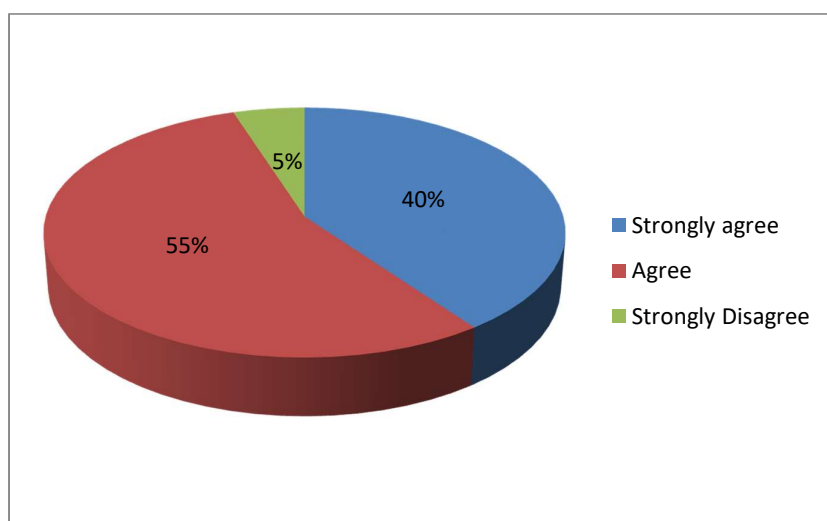


Table 1.5

Opinion	Person	Percentage	Score
Strongly agree	8	40%	
Agree	11	55%	
Neutral	-	-	-
Disagree	-	-	-
Strongly Disagree	1	5%	

Figure 1.9: Bidder’s attractiveness as a criterion for awarding bids to a supplier

The respondents were asked whether the issue of bidder’s attractiveness as a criterion for awarding bids to a supplier. 15 percent of the respondents were strongly agreed, 50 percent agreed, 15 percent remain neutral, 15 percent disagreed and 5 percent strongly disagreed with the statement. Analysis of the study is shown in figure 1.9 and detail (with score) is shown in the table 1.6 below:

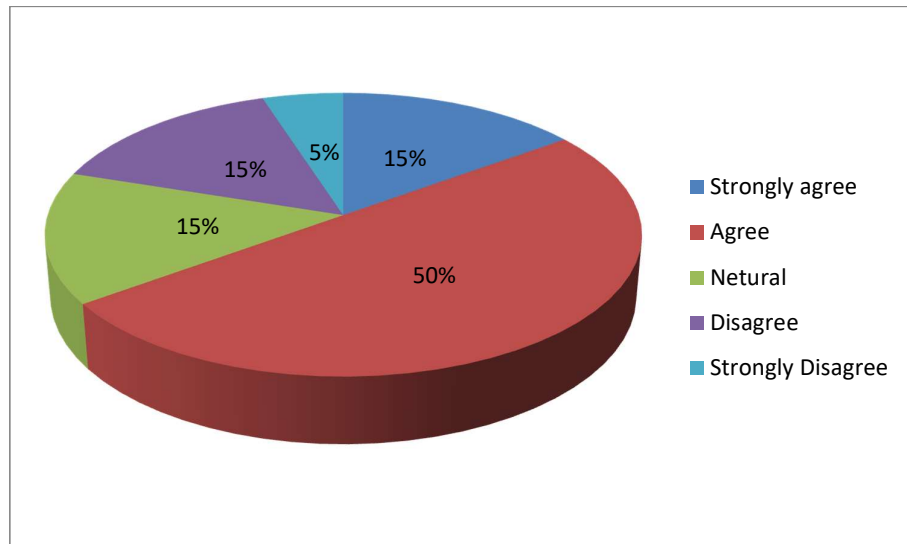


Table 1.6

Opinion	Person	Percentage	Score
Strongly agree	3	15%	15
Agree	10	50%	40
Neutral	3	15%	9
Disagree	3	15%	6
Strongly Disagree	1	5%	1

Figure 1.10: Role of CPTU to ensure Sustainable Procurement

Respondents were asked that CPTU has a gigantic role to ensure SP in Bangladesh and the result shows that 70 percent respondents strongly agreed with the statement and rest 30 percent were agreed. Analysis of the study is shown in figure 1.10 and detail (with score) is shown in the table 1.7 below:

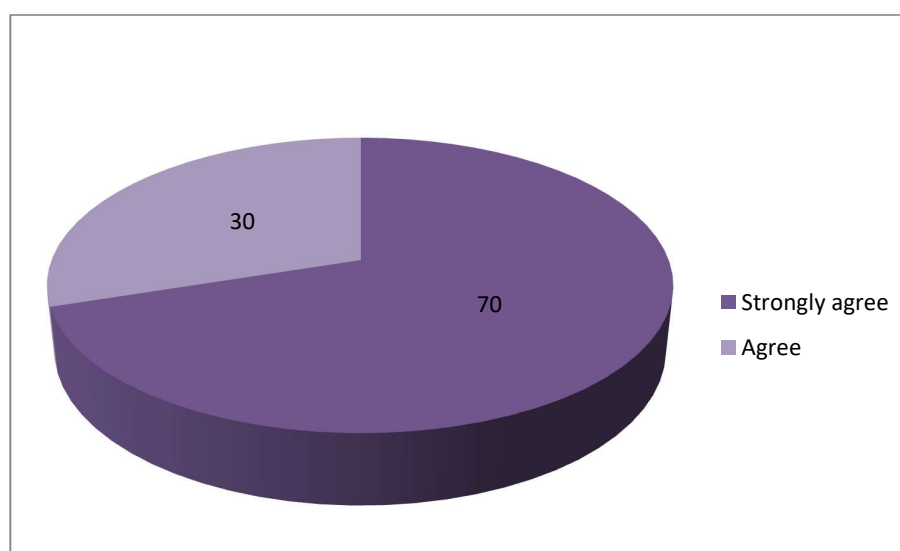


Table 1.7

Opinion	Person	Percentage	Score
Strongly agree	14	70%	70
Agree	6	30%	24
Neutral	-	-	-
Disagree	-	-	-
Strongly Disagree	-	-	-

This opinion has got 94 score in total.

Figure 1.11: More awareness and best practices are needed to ensure SP in Bangladesh

Respondents were asked about more awareness and best practices are needed to ensure SP in Bangladesh and the result shows that 65 percent respondents strongly agreed with the statement and rest 35 percent were agreed. Analysis of the study is shown in figure 1.11 and detail (with score) is shown in the table 1.8 below:

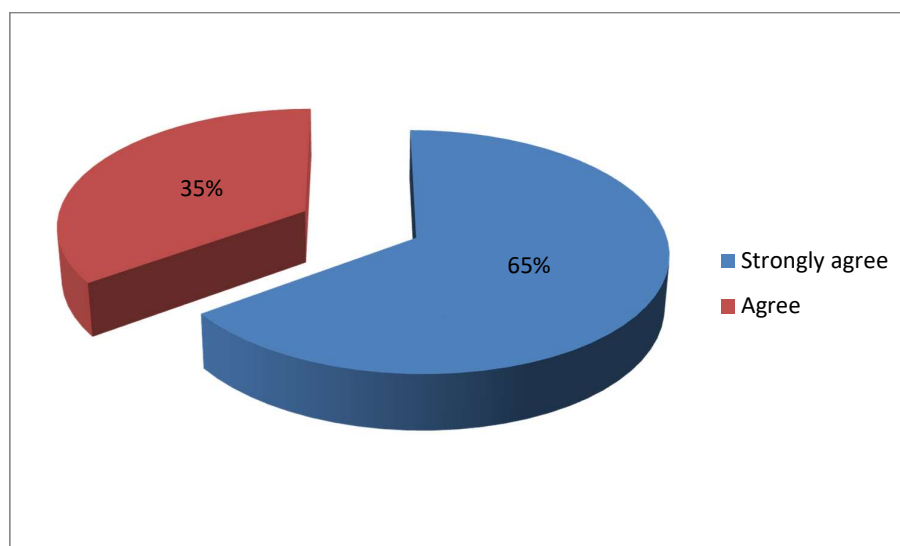


Table 1.8

Opinion	Person	Percentage	Score
Strongly agree	13	65%	65
Agree	7	35%	28
Neutral	-	-	-
Disagree	-	-	-
Strongly Disagree	-	-	-

This opinion has got 93 score in total.

Figure 1.12: SP issues should be incorporated in PPA 06 and PPR 08 more

Respondents were asked SP issues should be incorporated in PPA 06 and PPR 08 more in Bangladesh and the result shows that 50 percent respondents strongly agreed with the statement, 45 percent were agreed and rest 5 percent of the respondents remain neutral. Analysis of the study is shown in figure 1.12 and detail (with score) is shown in the table 1.9 below:

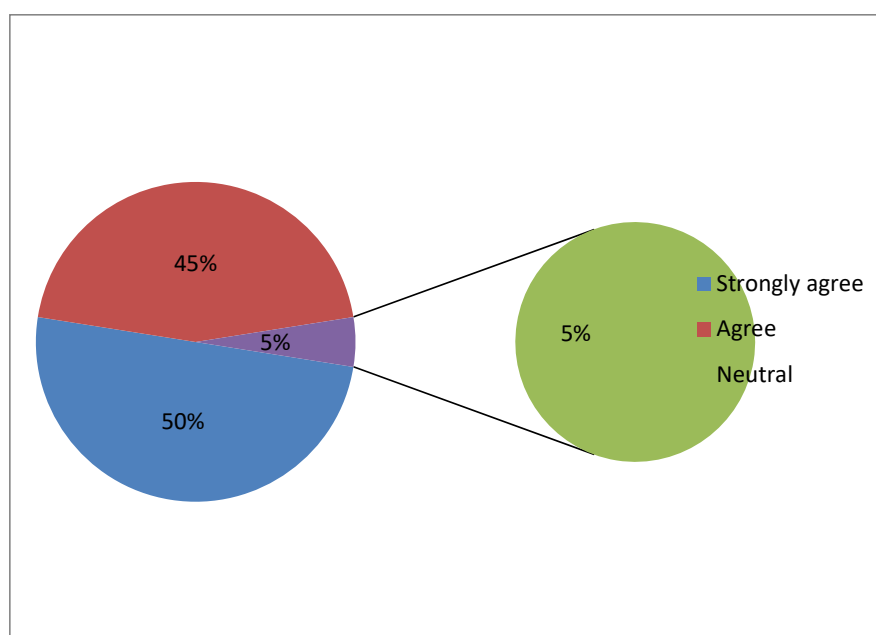


Table 1.9

Opinion	Person	Percentage	Score
Strongly agree	10	50%	50
Agree	9	45%	36
Neutral	1	5%	3
Disagree	-	-	-
Strongly Disagree	-	-	-

Total score of this question is 89

Chapter 04

Recommendations & Conclusion

Recommendation and conclusion

Sustainability is the most burning issue in present world to create a better future and that is our common goal. UN has declared SDGs (Sustainable Development Goals) to achieve by 2030. Purchasing plays a crucial role for any development activities. We often do not put much attention on it and that is why we fail to get effective result and projects become unsuccessful. An effective purchasing is the foremost criteria of a successful project. We must follow the rules and regulations to ensure sustainable public procurement. Government in any country is the largest procurer. So it is vital that what and how government proceeds on purchasing in a sustainable manner considering 3Ps (People Planet and Profit).

CPTU (Central Procurement Technical Unit) is working for formulating and developing procurement policy, procedure and implementing sustainability in government purchase throughout the country. The objective of the government of Bangladesh is concerned to improve governance, efficiency, transparency and accountability in the use of public resources in procurement of goods, works and services. CPTU developed an integrated, comprehensive and dynamic procurement website to ensure possible exposure to procurement plans, actual procurement processes including contract awards and contract management. Post procurement review is one of the major initiatives implementing by CPTU.

Implementing sustainability practice in public procurement in Bangladesh is a huge challenge. CPTU has been taking the challenges to give a uniform shape of the procurement process over the years and getting new initiatives aligned with SDGs Target 12.7 to ensure sustainable procurement. The objective of the study is to find out and overcome the challenges of implementing SP (Sustainable Procurement) in Bangladesh by an effective role of CPTU.

4.1 Recommendations:

- a) Enough training is needed for the procurement professionals to ensure Sustainable Procurement.
- b) Present Act and Rules (PPA 06 and PPR 08) do not address SP (Sustainable Procurement) properly. Sustainability criteria like issue of child labour and environmental consideration should be incorporated in public procurement Act and Rules. Since provisions for domestic preference has already been incorporated in PPA 06 and PPR 08, hence the provision may further be enhanced in practice.
- c) CPTU has a gigantic role to ensure Sustainable Procurement in Bangladesh. This organization should be empowered more. A clear commitment is necessary from the policy level.
- d) Bringing the issue of Sustainable Procurement as an evaluation criterion in the bidding document is essential.
- e) Overall, awareness and best practice should be ensured to implement sustainable procurement in Bangladesh.

Finally, This paper gives an overall scenario of sustainable public procurement practice. There is scope for further study about challenges of sustainability practice in Public Procurement in Bangladesh and role of CPTU issue need to be observed more deeply. Advanced research needs to be conducted in order to get a deeper insight into the matter.

4.2 Conclusiton

So far sustainability is concerned respondents have clear idea on many criteria but some of them still lag behind on some issues. Respondents were all agreed that CPTU has a gigantic role to ensure sustainability practices in public procurement in Bangladesh. To remove the challenges sustainability issues should be legally binding to implement as mandatory criteria for public procurement.

References

- Brundtland commission Report, 1987: “The Report of the U.N. Brundtland commission, Our Common Future, 1987” as Report of the World Commission on Environment and Development
- CIPS study guide Sustainability in Supply chain.
- <http://www.futureearth.org/themes/transformations-towards-sustainability>
- Blackburn, W. R, 2007. The Sustainability Handbook.
- Elkington, 1997: “ Cannibals with Forks: The Triple Bottom Line of 21st Century Business.”
- PPA, 2006: Public Procurement Act, 2006.
- PPR, 2008: Public Procurement Rules, 2008.
- UNGM, 2011, United Nations Global Marketplace. Retrieved 09 October 2011 from <Http://www.ungm.org/sustainableprocurement/default.asp>
- Wikipedia: Retrieved 10 November 2011 from <http://en.wikipedia.org/wiki/procurement>
- World Bank, 2002. “Bangladesh: Country Procurement Assessment Report.”
- Central Procurement Technical Unit <https://cptu.gov.bd>
- Chartered Institute of Procurement and supply (CIPS), Available at <https://www.cips.org> [Accessed on 15 April, 2019]
- Chartered Institute of Procurement and supply (CIPS), Procurement Glossary, <https://www.cips.org>

Title of Dissertation: Implementation Challenges of Sustainability Practice in Public Procurement in Bangladesh: Role of CPTU

Name of the Researcher: Muhammad Ali Prince, Deputy Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.

This Survey Questionnaire is dedicated to an academic research only for the above mentioned topic offered by BIGD (Brac Institute of Governance and Development) of BRAC University.

Section A: General Information of Respondent

1. Name of Respondent (Optional)...

2. Sex : * Male *Female

3.Age : a) 25-30

b) 31-35

c) 36-40

d) 40+

4. Designation and Organization ...

5. Educational qualification:

a) Procurement background

b) Business background

c) Other

6. Experience in procurement functions:

- a) 1-3 Years
- b) 4-6 Years
- c) 6+ Years

Section B: Concept on Sustainability

7. Public Procurement means Purchasing of- a) good b) works and c) services by the government-----

- a) Yes
- b) No

8. Sustainable Public Procurement means-

- a) Conducting Public Procurement activity efficiently & effectively
- b) Ensuring minimum cost in procurement
- c) A Process of meeting organizational need in a way that ensures best value for money on whole life basis and minimizing damage to the environment and society
- d) More

9. Do you Consider 'value for money' in procurement?

- Yes
- No

10. Which of the following concepts you think important in your procurement consideration?

- a) Lower cost
- b) Lifecycle cost
- c) Both
- d) None of the above

Section C: Sustainability Practice in Public Procurement

Question 11

Statements	Score
I have enough training to conduct/ participate in public procurement activity.	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
Present Act and Rules (PPA 2006 and PPR 2008) have addressed SP (Sustainable Procurement) properly.	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
Do you think that the issue of domestic preference should be a criterion for awarding bids to a supplier?	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
Do you think that the issue of child labour should be a criterion for awarding bids to a supplier?	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)

Statements	Score
Do you think that the issue of environmental consideration should be a criterion for awarding bids to a supplier?	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
Do you think that the issue of bidder's attractiveness should be a criterion for awarding bids to a supplier?	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
CPTU (Central Procurement Technical Unit) has a gigantic role to ensure SP in Bangladesh.	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
More awareness and best practices are needed to ensure SP in Bangladesh.	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)
SP issues should be incorporated in PPA 06 and PPR 08 more.	a) Strongly agree (5) b) Agree (4) c) Neutral (3) d) Disagree (2) e) Strongly disagree (1)