

*STUDY OF THE CENTRALIZED PROCUREMENT OF BRRI*

**Masters in Procurement and Supply Management**

**A Dissertation**

**Submitted by  
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MPSM, Batch- 3  
ID No. 13382020**

**Masters in Procurement and Supply Management**

**December- 2014**



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

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**BRAC University**

**December- 2014**

**Dedicated to**  
**My**  
**Beloved Mother**

## **Statement of the Author**

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**MOHAMMAD SHAHIEDUL ISLAM**

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*The Author*

# Abstract

The procurement system of the Re-public of Bangladesh is a combination of centralized and decentralized systems. Centralized procurement can enhance the achievement of the following: (i) cost reduction through economies of scale; (ii) product and service standardization; (iii) quality optimization of products and services procured; (iv) knowledge sharing among specialists, resulting in better use of human resources. It also shows that centralized procurement tends to benefit small public bodies, allowing them to acquire better products at a lower cost and to allocate their limited human and financial resources in sectors more directly related to their core competencies. Public procurement is a major function of government in both developed and developing countries. Transparency, efficiency, accountability, competitiveness, equitable treatment and free & fair competition are essential to be ensured in the procurement using public funds. In Bangladesh, these could not be ensured earlier due to a lack of proper rules and regulation. To streamline the public procurement activities, the Government of the Peoples Republic of Bangladesh has enacted Public Procurement Act (PPA) 2006 and thereafter issued Public Procurement Rules (PPR) 2008. Since then government agencies are bound to abide by the Act and Rules very strictly in their procurement activities. **BRRI** is an autonomous organization. The research has been designed under the questions if BRRI is following PPR 2008. A questionnaire survey was carried out to collect primary data from different employs related to procurement activities of BRRI and contractors. The study result shows Centralized procurement can enhance the cost reduction, product and service standardization, product and service standardization quality and optimization.

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## Abbreviations

AA	: Approving Authority
ADP	: Annual Development Programme
AO	: Authorized Officer
BRRRI	: Bangladesh Rice Research Institute .
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
MoA	:Ministry of Agriculture
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 Programme
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

# **Chapter-1: Introduction**

---

# **CHAPTER 1: Introduction**

## **1.1 Background of the study:**

Procurement is 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. When procurement is done with public money, then it is called public procurement. Public procurement generally is an important sector of the economy, (CPTU.2009).

This paper provides empirical evidence of the advantages of centralized public procurement by means of a case study involving the procurement of goods & services in BRRI procurement. In particular, it demonstrates that centralized procurement can enhance the achievement of the following: (i) cost reduction through economies of scale; (ii) product and service standardization; (iii) quality optimization of products and services procured; (iv) knowledge sharing among specialists, resulting in better use of human resources. It also shows that centralized procurement tends to benefit small public bodies, allowing them to acquire better products at a lower cost and to allocate their limited human and financial resources in sectors more directly related to their core competencies.

Nonetheless, in order to make centralized procurement successful in the long run, public tenders should be conducted periodically, as a way of reducing the time cycle of each tender by maintaining a constant process of communication with the market, strengthening, coordination among procuring public bodies and promoting continuous skill development of human resources.

## **1.2 Statement of the problem:**

All the procurement of BRRI are conducted under PPR of Bangladesh. As PPR 2008 is highly regulated the performance of procurement under PPR, 2008 depends on following factors:

Knowledge of the members of Tender opening committee and Tender Evaluation Committee are not up to standard. Many persons of them are highly knowledgeable but few persons have

lack of knowledge about tender processing but all members of both committees have equal liabilities. PPR' 2008 clearly describes allowable time for different activities. But some activities do not perform within stipulated time like tender evaluation.

Tender approving authorities approve the tender according to Delegation of Financial Power (DOFP). But in most of the cases, they are reluctant about stipulated time for approval of tender.

Transparency is one of the main issues of PPR' 2008. But there are many causes which makes questionable the procurement process about transparency. Many of the persons who involve in procurement process have lack of commitment.

According to PPR' 2008 there is a requirement for minimum time period for publication of advertisement in newspaper and above specific threshold there is a mandatory requirement to publish advertisement in CPTU website. But sometimes publication of advertisements does not meet the requirement. Some members of tender evaluation committee do not attend the meeting. Sometimes tenderers may not submit tender properly. They have limited knowledge about pricing, which arise another hazard during implementation of contracts. All of these may delay the procurement process and may not comply with PPR, 2008 and developing partner's guidelines.

### **1.3 Significance of the Proposed Research:**

BRRI is a research based organization but many infrastructure development works are procured under building and contractions division. Purchasing division procure many scientific equipments, chemicals, agricultural machinery etc. It may save huge money if performance of procurement improved. From this research it is possible to identify the possible way to improve procurement performance in BRRI.

### **1.4 Research Questions:**

Thus the research questions for the present study are:

1. How might centralized procurement reduce the cost of BRRI procurement?
2. What are the factors that influence in centralized procurement of BRRI?

3. What are the advantage of centralized and decentralized procurement function?
4. How develop the procurement system of BRRI?

### **1.5 The specific objectives of the study are:**

1. To identify the problems of centralized procurement system of BRRI.
2. To identify the benefit of centralized procurement system of BRRI.
3. To develop the Centralized procurement system of BRRI.

### **1.6 Scope and limitation:**

Survey was confined to BRRI head quarter. The respondents were selected mainly procurement related officers/ staff and contractors. Most of the respondents had gathered different types of experiences in different projects; sometimes experiences were not generalized rather project specific. This issue had come across during the interviews. Also the officers were requested to give answers based on their own perception. As the perceptions on situation varied from person to person, this may have been a major limitation of the study.

### **1.7 Organization of the study:**

The study has been arranged in five broad headlines: Introduction, Review of Literature, Methodology, Result & discussion, Conclusion and Recommendations. In the introductory chapter, the areas which have been covered are the background and context, problem statement, significance, research questions, objectives, scopes and limitations of the study.

The second chapter starts with reviews of literature which content definitions, structures, procurement steps. In the Methodology chapter which is the third chapter, sampling method, selection of study area, study period, sample size and data processing & analytical frame work of the study have been described. The results and discussion chapter starts with the findings of the questionnaire survey. Then the analysis of findings from questionnaire survey: Problems related to E-procurement adoption and in-depth discussion. Thereafter, conclusion of the study has been drawn with some specific recommendations, finally, references and appendices have been started for understanding of the study.



# **Chapter-2: Review of literature**

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## **Chapter 2: REVIEW OF LITERATURE**

### **2.1 Definition of Procurement:**

There are lots of definitions of procurement. Some of those definitions given below:

- a) The action or process of acquiring or obtaining materiel, property, or services at the operational level, for example, purchasing, contracting, and negotiating directly with the source of supply (Sci-Tech Dictionary).
- b) Complete process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment (Business Dictionary.com)
- c) Procurement is the process by which the resources (goods and services) required by a project are acquired. It includes development of the procurement strategy, preparation of contracts, selection and acquisition of suppliers, and management of the contracts. ([www.apm.org.uk/Definitions.asp](http://www.apm.org.uk/Definitions.asp)).
- d) The process by which the state obtains necessary goods or products from nongovernmental vendors. ([www.pewcenteronthestates.org/template\\_page.aspx](http://www.pewcenteronthestates.org/template_page.aspx)) procure - To acquire or obtain an item or service, sometimes rare, usually by extra effort; (en.wiktionary.org/wiki/procure).

Procurement may define as “Purchasing, hiring or obtaining goods, works or services or any mixture thereof by any contractual mean that includes development of the procurement strategy, preparation of contracts, selection and acquisition of suppliers, and management of the contracts.

Procurement which uses public money is called public procurement. Public procurement generally is an important sector of the economy.(CPTU,2009)

### **2.2 Procurement process**



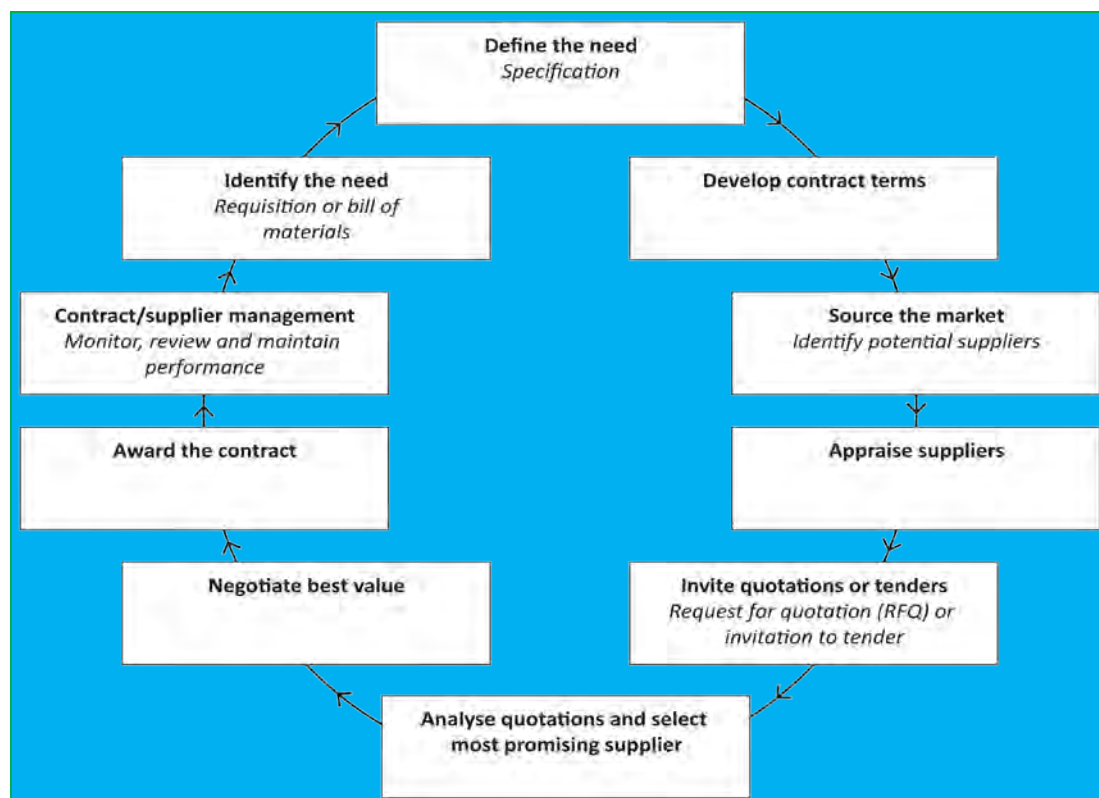
Procurement may involve a bidding process known as *tendering*. A company or organization may require some product or service. If the price exceeds a threshold that has been set (e.g.: government department procurement policy: "any product or service desired whose price is over X must be put to tender"), depending on policy or legal requirements, the purchaser is required to state what is required and make the contract open to the bidding process. The concept of total cost also comes into play. At times, not just price, but other factors such as reliability, quality, flexibility and timing, are considered in the tendering process. A number of potential suppliers then submit proposals of what they will provide and at what price. Then the purchaser will usually select the lowest bidder; however if the lowest bidder is deemed incompetent to provide what is required despite quoting the lowest price, the purchaser will select the lowest bidder deemed competent.

### 2.3 Procurement steps

Procurement life cycle in modern businesses usually consists of seven steps:

- ***Identification of need:*** This is an internal step for a company that involves understanding of the company needs by establishing a short term strategy (three to five years) followed by defining the technical direction and requirements.
- ***Supplier Identification:*** Once the company has answered important questions like: Make-buy, multiple vs. single suppliers, then it needs to identify who can provide the required product/service.
- ***Supplier Communication:*** When one or more suitable suppliers have been identified, requests for quotation, requests for proposals, requests for information or requests for tender may be advertised, or direct contact may be made with the suppliers. References for product/service quality are consulted, and any requirements for follow up services including installation, maintenance, and warranty are investigated. Samples of the P/S being considered may be examined, or trials undertaken.
- ***Negotiation:*** Negotiations are undertaken, and price, availability, and customization possibilities are established. Delivery schedules are negotiated, and a contract to acquire the P/S is completed.

- **Supplier Liaison:** During this phase, the company evaluates the performance of the P/S and any accompanying service support, as they are consumed. Supplier scorecard is a popular tool for this purpose. When the P/S has been consumed or disposed of, the contract expires, or the product or service is to be re-ordered, company experience with the P/S is reviewed. If the P/S is to be re-ordered, the company determines whether to consider other suppliers or to continue with the same supplier.
- **Logistics Management:** Supplier preparation, expediting, shipment, delivery, and payment for the P/S are completed, based on contract terms. Installation and training may also be included.
- **Additional Step - Tender Notification:** Some institutions choose to use a notification service in order to raise the competition for the chosen opportunity. These systems can either be direct from their e-tendering software, or as a re-packaged notification from an external notification company.  
(<http://en.wikipedia.org/wiki/Procurement>).



**A Generic Procurement Cycle**

## Procurement takes over where sourcing leaves off



### 2.4 Centralized Procurement:

The term ‘centralized procurement’ is used when the process is coordinated by a central body which is responsible for major relevant decisions in product purchasing or service provision contracts. In some instances, including the case study presented in this paper, the centralized agency conducts the main stages of the procurement process, such as price negotiation and selection of suppliers, based on an estimated demand, and each department or division procure products or services according to its necessity and whenever the demand arises.

**2.4.1 Centralised vs. decentralised procurement structure:** There are various ways of structuring procurement activities, eg by centralising or decentralising the function. Centralised or departmentalised – placed in the hands of a single department reporting to a single executive. Decentralised – devolved to procurement officers in different strategic business units or user departments.

**2.4.2 Advantages of centralised purchasing:** Specialisation of procurement staff. Buyers can focus on a particular area and develop their knowledge to greater depth, with potential to improve quality and lower costs.

**2.4.3 Potential for the consolidation of requirements:** that is, putting multiple requisitions from different units together into single, larger orders or contracts. This reduces frequency of small orders; reduces transaction and transport costs; and enables buyers to obtain better prices with economies of scale and higher level of service.

- Greater co-ordination of procurement activities. Uniform procurement policies, procedures and good practice can be introduced and applied facilitating standardisation, variety reduction, and better value for money and improved compliance.

- Greater standardisation of specifications, which may enhance quality and efficiency in a number of ways: facilitating the consolidation of orders; reducing inventory and handling costs; focusing the supplier base; improved quality management.
- More effective control of procurement activity. Procurement performance can be monitored and compared with defined KPIs; budgetary control may be applied to the function.
- Avoidance of conflict between business divisions, which may otherwise arise due to competition for scarce materials, unequal budgetary allocations of procurement expenditure.
- Access to specialist skills, contacts and resources, which may not be available at divisional level.

#### **2.4.4 Advantages of decentralised or devolved procurement:**

- Better communication and coordination between procurement and operating departments, benefiting from user expertise and minimising ‘maverick’ buying by users.
- Customer focus. Buyers are closer to internal and external customers, so they can develop a better understanding of user needs and problems, and a ‘big picture’ business focus, rather than a parochial identification with their own functional objectives.
- Quicker response to operational and user needs and environmental changes and problems by local buyers who are close to the scene of operations.
- Knowledge of, and relationships with, locally based suppliers. There are advantages in sourcing from short distances- such as reduced transport cost and environmental impacts; reduced transport risk and delivery times; the ability to personally appraise and monitor suppliers.

- Smaller purchase quantities: sacrificing economies of scale, but reducing costs and risks of holding inventory, and possibly supporting social sustainability policies and innovation.
- Accountability: divisional managers can be held accountable for performance only if they have genuine control over operations.
- Freeing central procurement units to focus on higher-level, value-adding tasks.

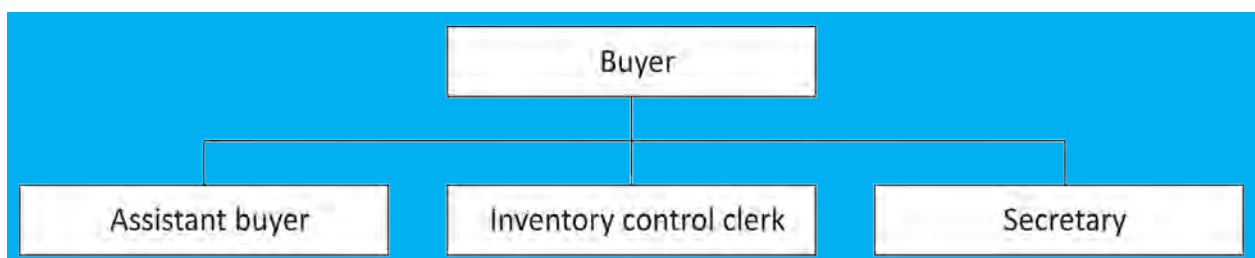
#### 2.4.5 Structure of a centralised procurement:

The way in which procurement and supply chain tasks are divided among members of staff in a dedicated unit (or department) depends mainly on size.

Organisation of a small procurement department:

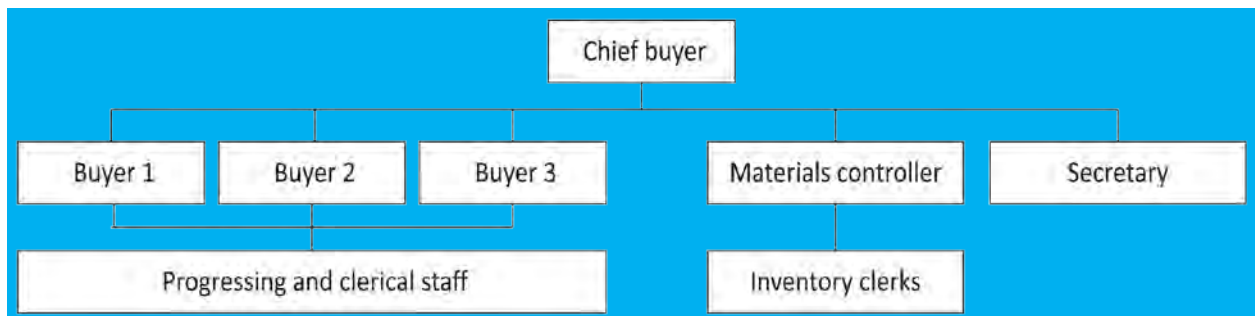
- In a very small procurement unit there may be just a single buyer with perhaps an assistant and a small number of support staff.
- Clearly this structure leaves little scope for specialisation.
- Most buying policies and decisions will be initiated by the buyer, with routine matters delegated as far as possible to the assistant buyer.

**Organisation of a small procurement department:**



**Organisation of a medium-sized procurement department:** In larger organisations, the procurement function is likely to be more developed, with more staff and greater specialisation.

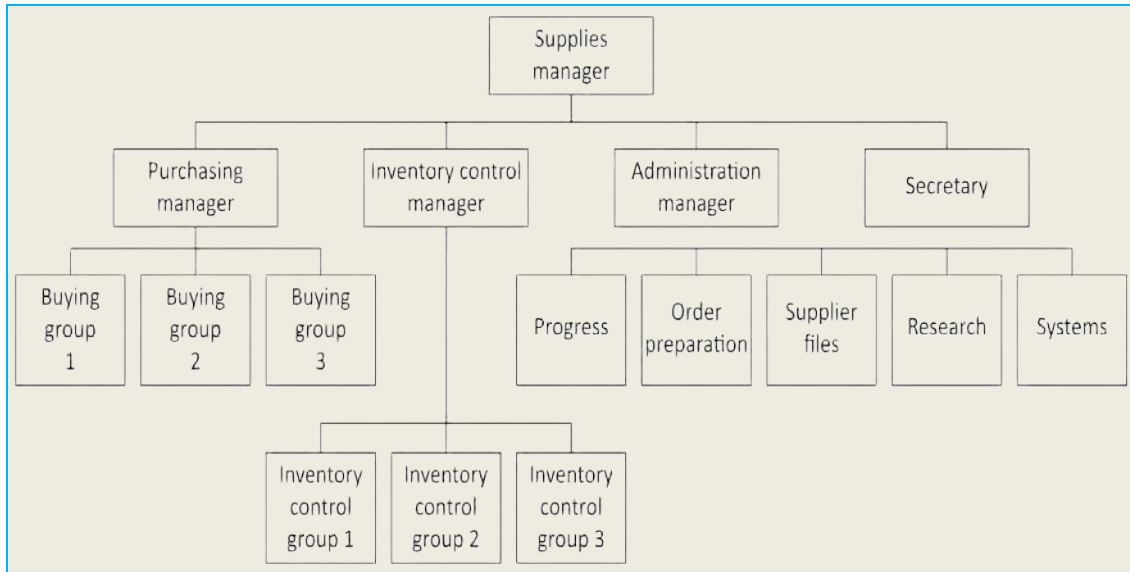
- In this kind of organisation, the chief buyer will be responsible for procurement policy, as well as for managing the smooth running of the department.
- The day-to-day decisions will be taken by the buyers, who have the opportunity to specialise.
- One possibility is that each buyer deals with a particular range of items, or ‘category’ of procurements (such as IT, commodities or MRO supplies).
- Another possibility relevant to project-based organisations (e.g. construction companies) is to allocate responsibility for each project’s procurement to a particular buyer.



#### **2.4.6 Organisation of a large procurement department:**

In a large department, the problems of communication and control are likely to be much greater, and must be addressed carefully if optimum performance is to be obtained.

Organisation of a large procurement department:



**Table -1: Difference between local Procurement and Centralised Procurement**

<b>LOCAL PROCUREMENT FUNCTION</b>	<b>CENTRALISED PROCUREMENT FUNCTION</b>
Small order items	Determination of major procurement and supply chain policies
Items used only by the local division	Preparation of standard specifications
Emergency procurements	Negotiation of bulk contracts for a number of divisions
Items sourced from local suppliers	Stationery and office equipment
Local procurement undertaken for social sustainability reasons	Procurement research
	Procurement of capital assets
	Procurement capability development

## **2.5 Public Procurement Rules (PPR 2008):**

Public Procurement Rules (PPR) 2008 was framed by the Government of Peoples 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.

### **2.5.1 Review on PPR 2008 :**

There are 130 rules, 9 chapters and 14 schedules in PPR, 2008. There are 3 (three) amendments done in PPA, 2006 and 2(two) amendments done in PPR, 2008 various time with response to requirement.

According to PPR, 2008 for goods & related services and works & physical services there various methods for procurement. These are Open Tendering Method (OTM), Limited Tendering Method (LTM), Request for Quotation (RFQ), Direct Purchasing Method (DPM), Two-Stage Tendering Method and Single Stage Two Envelope Method. There are also various Methods for Procurement of Intellectual and Professional Services.

These are Quality and cost Base Selection (QCBS), Selection under Fixed Budget (SFB), Least Cost Selection (LCS), Single Source Selection (SSS), Selection of Consultants Based on Consultant's Qualifications (SBCQ), Selection amongst Community Service Organizations (CSOs), Selection of Consultants by a Design Contest (DC), Selection of Individual Consultant (SIC).

In chapter two, describe about preparation of tender documents and formation of different committees. In Chapter three describe Principal of Public Procurement, in chapter four describe methods of procurements, in chapter five describe processing of procurement, in chapter six describe Procurement of Intellectual and Professional Services, in chapter seven describe Professional Misconduct, in chapter eight describe E-Government Procurement and in chapter nine describe Miscellaneous (PPR'2008) .

### **2.6 Introduction of new procurement rule, regulation and procedures**

Government of Bangladesh first introduces the harmonized and unified public procurement regulations in 2003 named PPR-2003. With the introduction of the PPR-2003, it superseded all other public procurement guidelines, procedures and practices. In the year 2006, the public procurement regulations have been legitimated by the Parliament and public procurement act namely PPA-2006 formed in accordance to the power vested under clause 70 of constitution. Then gazette notification regarding "The Public Procurement Rules-2008 had published on 28 January, 2008. After that country's all procurements are being done by following guidelines of PPR-2008. (PPR'2008).



### **2.6.1 E- Procurement:**

E-procurement: “E-procurement is a specific area of e-business that covers both internal processes as well as B2B processes” E-procurement allows companies to leverage Internet technology in the purchasing process. According to Davila, Gupta and Palmer (2003) any technology designed to facilitate the acquisition of goods over the Internet can be defined as e-procurement.

E-procurement solution: There are several different e-procurement solutions for companies to choose from. E-procurement solution is a web-based client / server which automate the buying process and captures the necessary data from purchases for spend analysis. Different solutions can be used for indirect purchases, auctioning, sourcing, tendering and many other procurement related tasks.

### **2.7 BRRRI Centralized Procurement System:**

BRRRI is an autonomous organization established in 1970 at Joydebpur, Gazipur, for conducting research towards development of rice varieties with desirable characteristics and their management technologies for different ecosystems. The Director General (DG) is the head of the organisation. In addition to the headquarters and central station at Joydebpur, the institute is supported by nine regional stations at Barisal, Bhanga, Khulna, Kushtia, Rajshahi, Rangpur, Habiganj, Comilla and Sonagazi. The procurement of all works and goods are execute in BRRRI head office that is centralized procurement system.

All types of works are accomplished in BRRRI building & construction division and all types of goods are procurement division according to PPR and development partners’ guidelines. These are Open Tendering Method (OTM), Limited Tendering Method (LTM), Request for Quotation (RFQ), Direct Purchasing Method (DPM), Two-Stage Tendering Method and Single Stage Two Envelope Method, International Competitive Bidding (ICB), National Competitive Bidding (NCB) . method are use in BRRRI procurement . ICB is widely used procurement method for purchasing of higher value of goods, National shopping is appropriate for procuring readily available off-the-shelf goods. E-Procurement is not used.

### **2.7.1 Procurement System for implementing civil works of BRR:**

All types of works are accomplished in BRR building & construction division of BRR the implementation of structures on reconstructed other civil works in BRR done by contractor. The contractor was selected through competitive bidding method. The Executive Engineer floated bid and select contractors. Prior to introduction PPR-2003 there is no standard bidding documents and bid was done by using government form 2911 for works and form 2908 for supply and services.

Even bid evaluation committee (BEC) was formed with Assistant engineer within the and district Executive Engineer was convener and there is no outside member in the BEC. Normally unit rate system was followed during bid process. The Executive Engineer approved bid which was below or equal to engineers estimate and the bid which was above engineers estimate was approved by the HOPE. After selection of contractor the Executive Engineer issued notification of award (NOA) to selected contractor and agreement was signed between them. Here to mention that there is threshold value for procuring works.

### **2.7.2 Procurement System for Goods of BRR:**

All types of goods are accomplished procurement division of BRR. Mainly Laboratory equipment, Agricultural machineries, Electrical equipments and important goods are procured in BRR centralized procurement system. Initially identify the needs of goods than estimate and specifications of those goods. After completing the specifications tender will be precede.

## Flow chart of BRR I procurement system

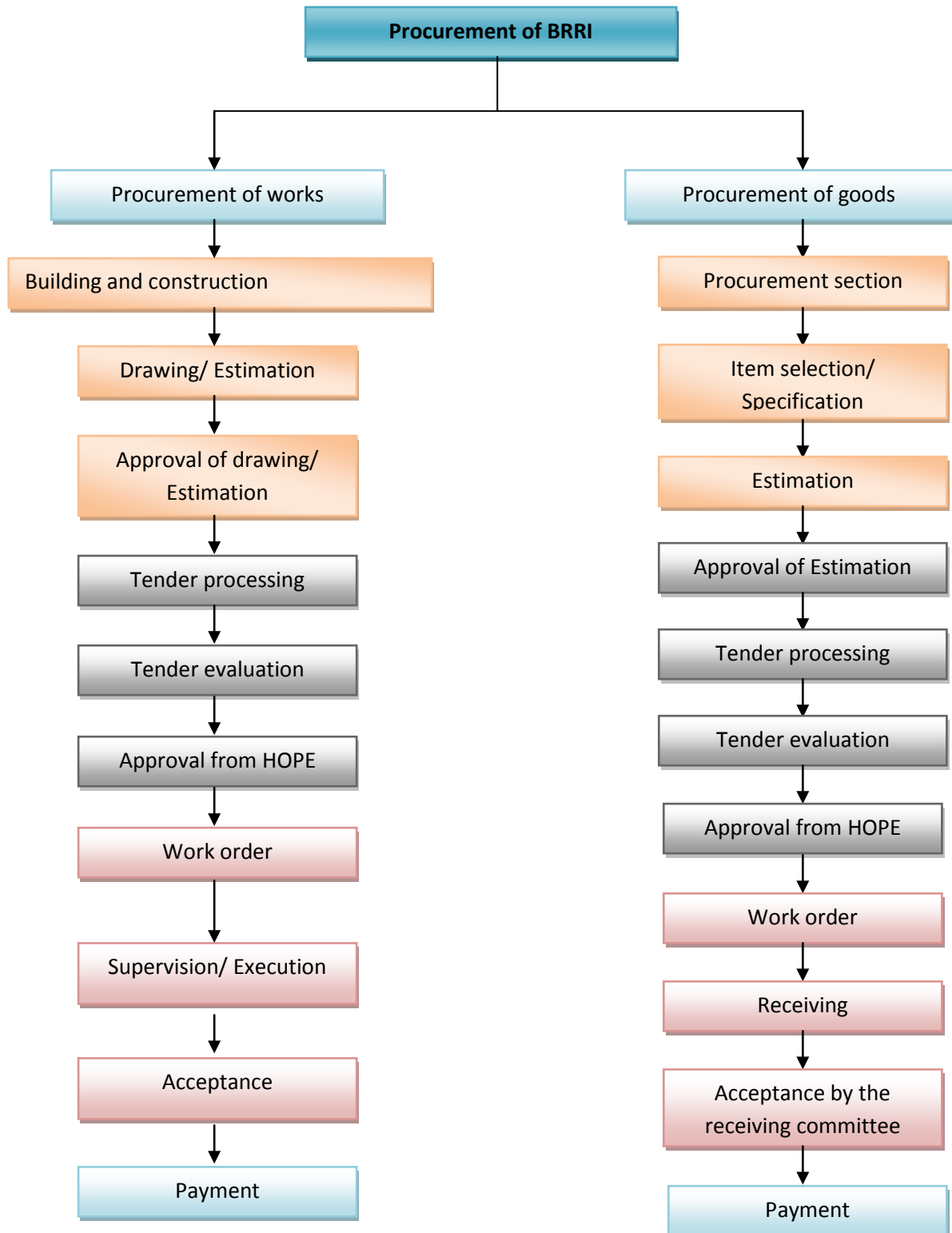


Fig. No.: Flow chart of BRR I procurement system

# **Chapter-3: Methodology**

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## **Chapter 3: METHODOLOGY**

### **3.1 Qualitative research:**

Qualitative research aims to produce new knowledge about how things work in real-life business context (Eriksson & Kovalainen 2008, 3). As well as in quantitative research, qualitative research also relies on several methods of data collection and analysis (Eriksson & Kovalainen 2008, 3). In the second chapter, the theory of the thesis is examined. According to Lee a Lings (2008, 109) “a theory is the foundation on which much of the academic research is based”. They continue that without theory researchers do not understand how phenomena are related to each other and why they relate to each other and in what way. The theory in this thesis has been collected using scientific articles and other literature to create a basis for the research. The empirical data was collected through interviews.

The interviews used in this research were semi-structured. Semi-structural interview are useful if the researcher has a clear theoretical understanding of the topic, which allows the researcher to create an appropriate questionnaire. Semi-structured interview means that there is some flexibility in the wording and order of the questions. The script of the interview is preplanned and the order of the questionnaire fixed. The questionnaire used in the interviews is presented in appendix 1.

### **3.2 Methods of collecting data (Survey was conducted at different offices of BRRI who are related to procurement Planning from 25 November 2014 to 30 November 2014):**

General information about sample of the questionnaire survey: For Questionnaire, the respondents were categorized in three different types namely i) BRRI s employee, ii) Persons who are supplier/contractors of BRRI. As there are 12 numerous people are concerned with BRRI procurement activities, a total of 6 different officers and 6 contractor /supplier were interviewed with Questionnaire.

**Sample size** : 12 (Number of people surveyed)

Table 3 : Summary of demographic information of the respondents

Respondent's attribute/variants	Frequency	percent
Designation		
Project Director	1	
Senior Scientific Officer	1	
Executive Engineer	1	
Assistant Engineer.	1	
Procurement Officer.	1	
Sub-Assistant Engineer	1	
Nos. contractors	6	

**Work Experience** :

1. Less than 10 years- 6 persons
2. Between 10 to 15 years- 3 persons
3. More than 15 years- 3persons

A combination of questionnaire survey and interview method was adopted for this study. Survey method was used as this is considered as the best method available to the scientists interested in collecting original data. Also, the interview method was used as this is helpful to gather clear idea on the issue providing insight into the conversation. Both qualitative and quantitative methods were followed in this study.

### 3.3 Selection of Study Area:

Due to time constraint and convenience of the present study, BRRI Head Quarters was selected for collection of data in the questionnaire one. Also, data for questionnaire two were collected from the Office of the BRRI. The study was mainly focused on the Centralized procurement of BRRI.

### **3.4 Sample Size**

For Questionnaire, the respondents were categorized in three different types namely i) BRRI s employee, ii) Persons who are supplier/contractors of BRRI. As there are 12 numerous people are concerned with BRRI procurement activities, a total of 6 different officers and 6 contractor /supplier were interviewed with Questionnaire

ADP sectors under which BRRI is having projects in the ADP.

### **3.5 Data processing and Analysis/Analytical Framework**

As a means of processing, collected data have been cleaned, edited, arranged and coded before statistical analysis. The main statistical analytical tool used in this study was Statistical Package for Social Science (SPSS) to analyze and interpret the subject matter of the study. Qualitative research aims to produce new knowledge about how things work in real-life business context (Eriksson & Kovalainen 2008, 3). As well as in quantitative research, qualitative research also relies on several methods of data collection and analysis (Eriksson & Kovalainen 2008, 3). In the second chapter, the theory of the thesis is examined. According to Lee and Lings (2008, 109) “a theory is the foundation on which much of the academic research is based”.

They continue that without theory researchers do not understand how phenomena are related to each other and why they relate to each other and in what way. The theory in this thesis has been collected using scientific articles and other literature to create a basis for the research. The empirical data was collected through interviews.

# **Chapter-4: Result and Discussion**

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## Chapter- 4 : Result & discussion:

### 4.1 Findings of the questionnaire survey

The outcome of the survey is summarized below:

Sl. no.	Basic questions	Total no. of respondents	Positive	not positive	Not answered	In depth review remarks
1	Do you know BRRi centralized-Procurement system?	12	10		2	
2	Are you related to BRRi centralized-Procurement system?	12	10		2	
3	How might centralized procurement reduce the cost of BRRi procurement?	10	Please check note Q.3			
4	What are the factors that influence in centralized procurement of BRRi?	10	Please check note Q.4			
5	What are the advantage of centralized procurement function?	10	Please check note Q.5			
6	How develop the procurement system of BRRi ?	10	Please check note Q.6			

**Table- 03: Summarization of Survey**

**Note-3:** Among 12 participants, 10 participant's response the question 03. Between them 04 participants are tendered and 06 participants are BRRi Officials. All tenderers are response that no additional costs of preparing tender document and advertisement cost or other muscleman during purchasing or submitting the tender documents. 02 participants are said that , cost effective because in a centralized procurement less manpower, less advertisement , time convenient are the advantages of that system. The BRRi officials (06 Participant's, responsibility as PE), 05 participant's responses that using centralized Procurement tender schedule can be prepared easily and reduce time. 02 participants's said that the tender evaluation process can be easily done. 02 participant's said that it is prevent political interfere corruption, save time and cost at a great scale.

Note-4: Among 12 participants, 10 participant's response the question 03. Between them 04 participants are tenderer and 06 participants are BRRi Officials. 02 tenderers are strongly response that in BRRi centralized procurement system Head of procurement entity is only one .HOPE approved budget and cost of procurement and difficulties occur during small quantity of many tenders.. 02 participants complain against server and software complexity.

They said that, when electricity failed, the software used for e-GP is failed to save tenderers fill up data. 02 participants said that they sometimes failed to submit tender documents due to electricity failure. Another participant state that time factor and communication factors also important .The BRRI officials (06 Participant's, responsibility as PE), All participant's responses that manpower also important factor of centralized procurement system. 03 participant's state about communication human resource development such as arranges training of procurement related peoples.

Note-5: 10 respondents al are said that centralized procurement is cost effective, time efficient, increase efficiency, require less manpower.

Note-06: All of the respondents (10 Participants) recommended as follows:

- If E-Procurement system should be used in BRRI centralized procurement system.
- Security of the e-GP software should be improved.
- CPTU server problems should be removed.
- Ensure 24 hours Electricity.
- E-tender Schedule should be available at all the procurement system.
- Tenderer require sufficient training to adopt e-Procurement.
- The person who are related to the procurement system have experience.

#### **4.2 Analysis of findings from the questionnaire survey: Problems related to e procurement adoption.**

All of the respondents could identify some reasons why they prefer traditional procurement over e-procurement in handling Tenders. At the same time they also recognized potential benefits that an implementation of such solution could bring about. Most of the benefits recognized were related to cost savings and process efficiencies. Even though the respondents were aware of the benefits related to e-procurement for Procurement of goods and works. In this research following factors related to centralized procurement adoption were identified.

Despite a challenging environment, Bangladesh has been transforming its procurement environment for better outcomes in public contracting with improved efficiency, effectiveness, and transparency at key sectoral ministries and agencies. The Second Public

Procurement Reform Project (PPRP II) has introduced electronic procurement and on-line performance monitoring at four sectoral agencies that accounts for majority of public procurement. PPRP II is working to improve performance of the public procurement system, particularly in sectors that hand out large or many contracts the results found that. If E-Procurement system should be used in BRRRI centralized procurement system and the person who are related to procurement system they have most training of procurement.

# **Chapter-5: Conclusion and Recommendation**

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## **Chapter- 5 : Conclusion and Recommendation**

### **5.1 Conclusion :**

The following lessons can be drawn from the case study:

- i.** Cost reduction through economies of scale;
- ii.** Product and service standardization;
- iii.** Quality optimization of products and services procured;
- iv.** Knowledge sharing among specialists, resulting in better use of human resources.

It also shows that centralized procurement tends to benefit small public bodies, allowing them to acquire better products at a lower cost and to allocate their limited human and financial resources in sectors more directly related to their core competencies. Public procurement is a major function of government in both developed and developing countries. Transparency, efficiency, accountability, competitiveness, equitable treatment and free & fair competition are essential to be ensured in the procurement using public funds. In Bangladesh, these could not be ensured earlier due to a lack of proper rules and regulation.

### **5.2 Recommendation:**

1. All procurement related officers/stuff should be trained up related to procurement activities/functions/techniques.
2. To develop the centralized procurement system of BRRI, E-procurement should be introduce.

**Institute of Governance Studies (IGS)**  
BRAC University

**Survey Questionnaire**

Research Topic: Study of the Centralized Procurement of BRRI.

**Masters in Procurement and Supply Management Programmes 2014**

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.

Name.....

Designation.....

Name of the organization.....

Gender: Male/Female

Education: .....

Job Experience: .....Year.

Sl. no	Question	Response
01	Do you know BRRI centralized-Procurement system?	
02	Are you related to BRRI centralized-Procurement system?	
03	How might centralized procurement reduce the cost of BRRI procurement?	
04	What are the factors that influence in centralized procurement of BRRI?	
05	What are the advantages of centralized procurement function?	
06	How develop the procurement system of BRRI?	

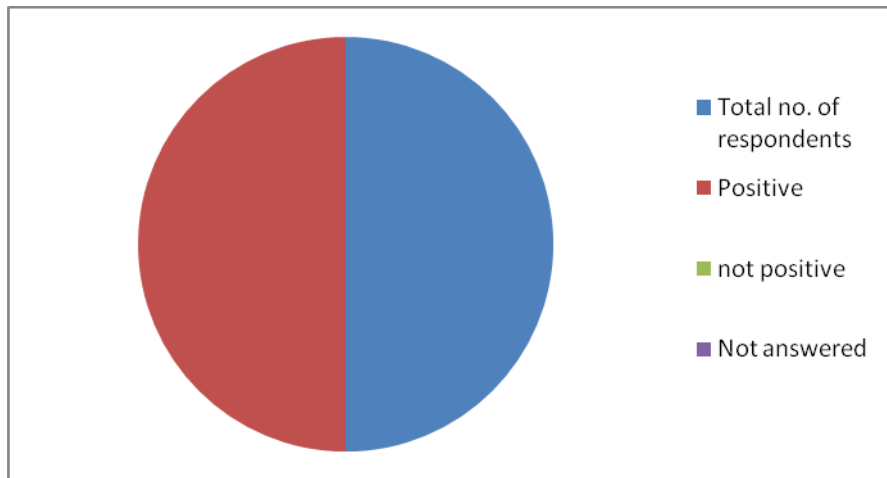
*Thank you for your kind cooperation*

## Appendix-2

### Pie charts

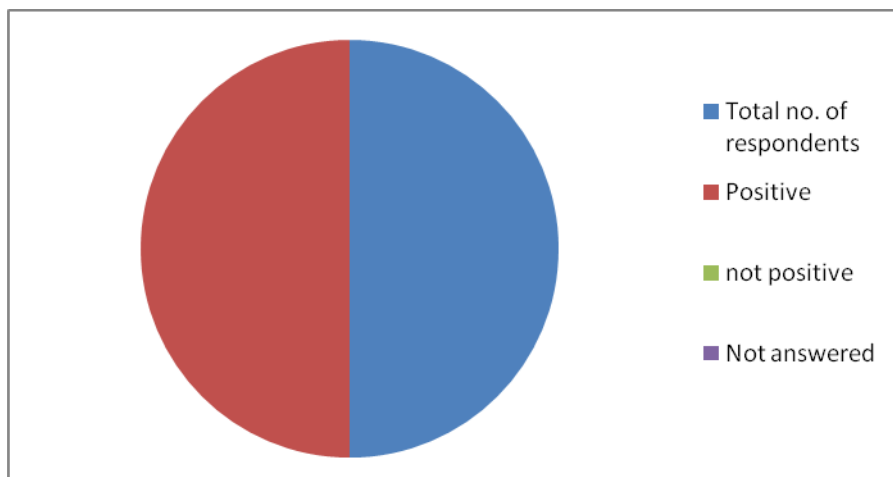
Pie Chart-1

Do you know BRRJ centralized-Procurement system?	
Total no. of respondents	12
Positive	10
not positive	0
Not answered	2



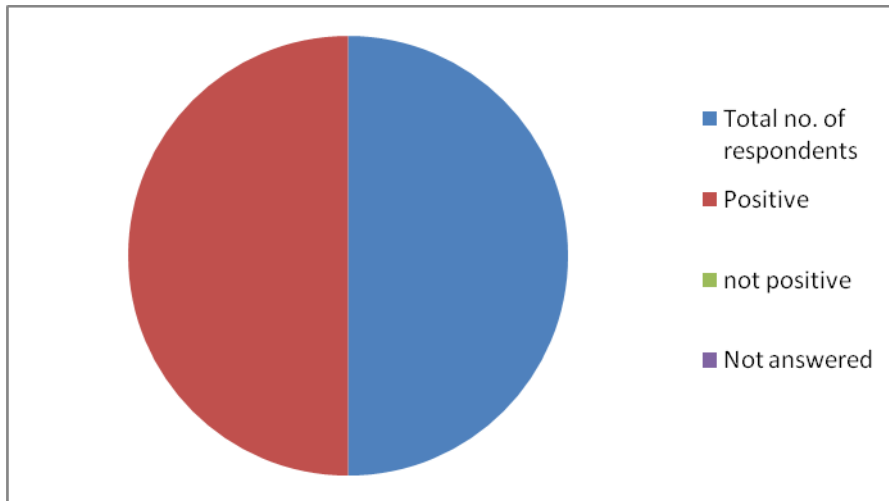
Pie Chart-2

Are you related to BRRJ centralized-Procurement system?	
Total no. of respondents	12
Positive	10
not positive	0
Not answered	2



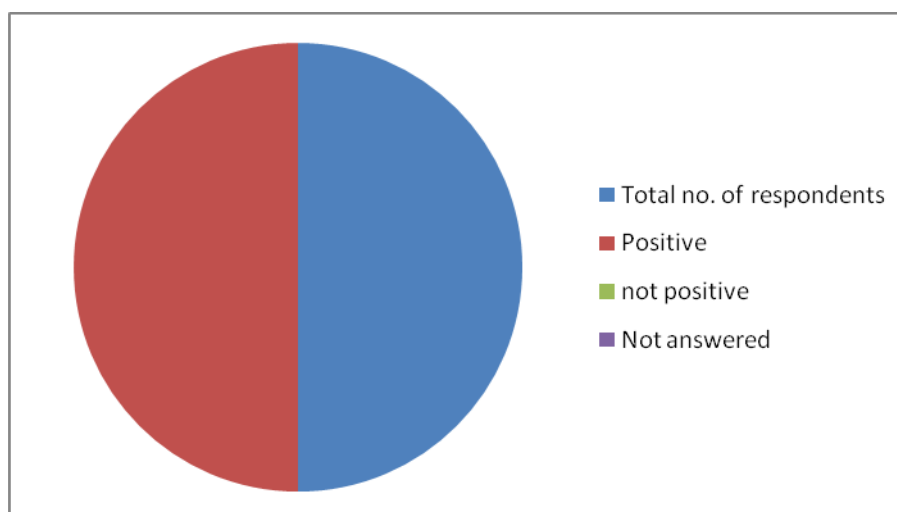
Pie Chart-3

How might centralized procurement reduce the cost of BRR I procurement?	
Total no. of respondents	10
Positive	10
not positive	0
Not answered	0



Pie Chart-4

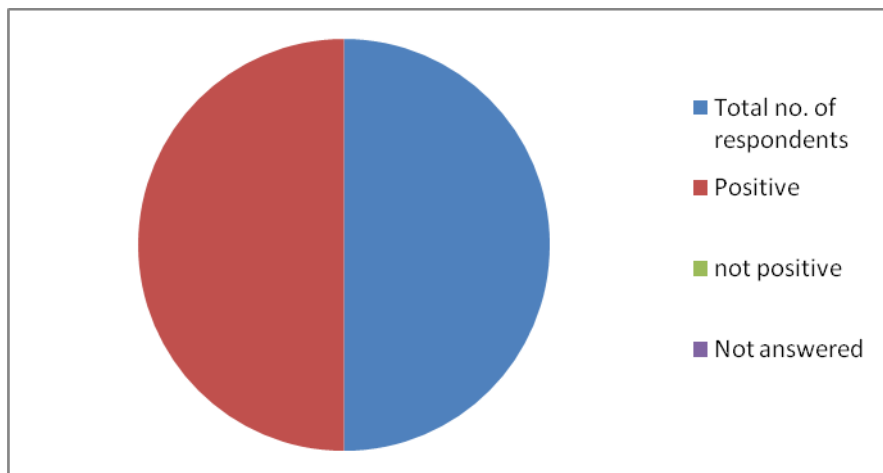
What are the factors that influence in centralized procurement of BRR I?	
Total no. of respondents	10
Positive	10
not positive	0
Not answered	0





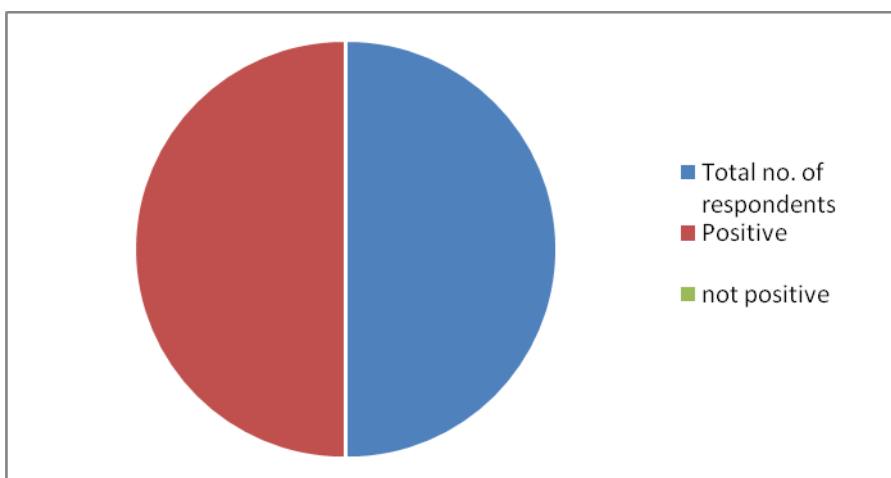
Pie Chart-5

What are the advantage of centralized procurement function?	
Total no. of respondents	10
Positive	10
not positive	0
Not answered	0



Pie Chart-6

How develop the procurement system of BRRRI ?	
Total no. of respondents	10
Positive	10
not positive	0
Not answered	0



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