

**Transparency, Efficiency, Competitiveness and Compliance of
PPA 2006 & PPR 2008: A case study on BCIC based on KPIs**

Submitted by

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MPSM, Batch VII

ID No. 14282030

Masters in Procurement and Supply Management

November, 2015



BRAC Institute of Governance and Development (BIGD)

BRAC University, Dhaka, Bangladesh

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Dissertation submitted in the partial fulfillment of the
requirements for the degree of
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BRAC Institute of Governance and Development (BIGD)

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Dedicated to
my beloved daughters
Namaki and Adrita

Right of refusal declaration of the writer

I the undersigned, declare that I am the only writer of this dissertation paper. I solemnly proclaim and declare that the dissertation paper has been submitted only in BIGD, BRAC University Dhaka Bangladesh as a requirement for the Master level procurement qualification building on the level-6 of CIPS UK in conjunction with BRAC University, Dhaka Bangladesh.

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Abstract

Transparency, efficiency, competitiveness and free & fair competition are inevitable objectives to be ensured in the procurement using public funds in the government sector of Bangladesh. The present study was undertaken to assess the above objectives in the procurement process of BCIC, a large corporation of Bangladesh. A semi-structured questionnaire was used to measure perception of procurement professionals of various factories of BCIC. The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) is continually monitoring the compliance of PPA 2006 and PPR 2008 by the in the light of 45 predetermined Key Performance Indicators (KPIs).

The target agencies of CPTU are BWDB, RHD, LGED and REB. Their procurement activities are monitored and evaluated by CPTU for the purpose of overseeing the performance of those agencies in the light of PPA 2006 and PPR 2008 against the preset 45 KPIs. But BCIC is not the target agency although BCIC is engaged in spending huge funds behind procurement of goods, services, works, in each financial year which requires to be paid a good attention on the compliance issues along with transparency, efficiency, competitiveness of PPR 2008 in procurement activities of BCIC. Hence, it is attempted to apply those preset KPIs for measuring the transparency, efficiency, competitiveness and compliance of PPR 2008 in BCIC in the field of procurement.

The response of procurement practitioners' were comparatively better in KPI 6 (Average number of days between publishing of advertisement and Tender submission deadline), KPI 11 (Percentage of cases TOC included at least ONE member from TEC), KPI 13 (Percentage of cases TEC included two external members outside the Ministry or Division), KPI 20 (Percentage of Tender approved by the proper financial delegated authority), KPI 25 (Average number of days between final approval and Notification of Award (NOA) and KPI 33(Average number of days taken for release payment from the date of certification of PM/Engineer) in respect of compliance compared with others.

The perception were better in adherence of KPI 1 [Percentage of Invitation for Tender (IFT) published in Newspaper] and KPI 2[Percentage of Invitation for Tender (above threshold) advertised in CPTU's website] compared to KPI 8(Average number of Tenders purchased Tender Documents) in terms of transparency.

The result showed procurement performance of BCIC in respect of efficiency KPI 22 (Percentage of cases contract award decision made within timeline by Contract approving Authority after submitting Tender evaluation report), KPIs 29 (Percentage of Contract awarded within initial Tender validity period) and KPI 30 (Percentage of Contracts completed / delivered within the original schedule as mentioned in the contract) were almost similar whereas KPI 15 was little bit lagging behind in respect of other aforesaid three KPIs.

In regard to competitiveness of procurement process in BCIC KPI 6(Average number of days between publishing of advertisement and Tender submission deadline) scored the far better in comparison with other KPIs under the competitiveness arena.

The research has been framed under the questions whether BCIC is following PPR 2008 completely or not; and if not, then the causes behind that. The main objectives of the present study are to find out the extent of transparency, efficiency, competitiveness and compliance of PPR 2008 by BCIC in the aspect of procurement and to find out the gap of compliance and scope of improvement for implementation. In order to conduct this research work relevant literatures and reports, thesis work particularly from BIGD, BRAC University, CPTU, SRGB have been thoroughly studied prior to carrying out the research work. The focal and key findings and result of these reports have been compared and analyzed at the level best in order to get aid for reaching to the conclusion of this thesis despite of some reported challenges and limitations.

A questionnaire survey was carried out to collect primary data from different stakeholders related to procurement activities of BCIC and its controlled companies located in different district of Bangladesh. For the purpose of in depth study on the transparency, efficiency, competitiveness and compliance issues of PPR 2008, five different companies and BCIC Head Quarter's Purchase Division were studied carefully to collect the qualitative data also. In addition to survey, key informant interviews have been conducted to get the perceptions of few senior officers of BCIC and different companies. The results based on above KPIs and categories found that BCIC's procurement performance is better in compliance followed by transparency, efficiency and competitiveness.

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Writer

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Abbreviations

AA	:	Approving Authority
ADP	:	Annual Development Programme
AO	:	Authorized Officer
CAA	:	Contact 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
ERD	:	Economic Relations Division
GCC	:	General Conditions of Contract
GFR	:	General Financial Rules
HOPE	:	Head of Procuring Entity
ICD	:	Intended Completion Data
IMED	:	Implementation Monitoring and Evaluation
KPI	:	Key Performance Indicators
LGED	:	Local Government Engineering Department
LTM	:	Limited Tendering Method
MoF	:	Ministry of Finance
MOI	:	Ministry of Industries
BCIC	:	Bangladesh Chemical Industries Corporation
JFCL	:	Jumuna Fertilizer Company Limited
CUFL	:	Chittagong Urea Factory Limited
TSPCL	:	Triple Super Phosphate (TSP) Complex Limited
AFCCCL	:	Ashugonj Fertilizer and Chemicals Company Limited

UFFL	:	Urea Fertilizer Factory Limited
PUFFL	:	Polash Urea Fertilizer Factory Limited
NGFFL	:	Natural Gas Fertilizer Factory Limited
DAPFCL	:	Di-Ammonia Fertilizer Factory Limited
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

Operational Definitions of PPR-2008

- (1) “Advertisement” means an advertisement published under Section 40 in newspaper, websites or any other mass media for the purposes of wide publicity;
- (2) “Approval Procedures” means the approval procedures of Tender or a Proposal as detailed in Rule 36;
- (3) “Approving Authority” means the authority which, in accordance with the Delegation of Financial Powers, approves the award of contract for the Procurement of Goods, Works or Services;
- (4) “CPTU” means the Central Procurement Technical Unit, established by the in the Implementation Monitoring and Evaluation Division of the Ministry of Planning, for carrying out purposes of the Act and these Rules;
- (5) “Days” means calendar days unless otherwise specified as working days;
- (6) “Delegation of Financial Power” means the Instructions with regard to the delegation of financial authority, issued by the from time to time, relating to the conduct of public Procurement of sub-delegation of financial powers under such delegation;
- (7) “Head of the Procuring Entity” means the Secretary of a Ministry or a Division, the Head of a Government Department of Directorate; or the Chief Executive by whatever designation called, of a local Government agency, an autonomous or semi-autonomous body or a corporation, or a corporate body established under the Companies Act;
- (8) “Intended Completion Data” is the date on which it is intended that the Contractor shall complete the Works as specified in the Contract and may be revised only by the Project Manager by issuing an extension of time or an acceleration order;
- (9) “Key Performance Indicators (KPI)” are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization.
- (10) “Procurement” means the purchasing or hiring of Goods, or acquisition of Goods through purchasing and hiring, and the execution of Works and performance of Services by any contractual means;

- (11) “Procuring Entity” means a Procuring Entity having administrative and financial powers to undertake Procurement of Goods, Works or Service using public funds;
- (12) “Public funds” means any funds allocated to a Procuring Entity under Government budget, or loan, grants and credits placed at the disposal of a Procuring Entity through the Government by the development partners or foreign states or organizations;
- (13) “Public Procurement” means Procurement using public funds;
- (14) “Project Manger” is the person named in the Contract or any other competent person appointed by the Procuring Entity and notified to the Contractor who is responsible of supervising the execution of the Works and administering the Contract.

CHAPTER ONE

Introduction

1.1 Context and Background

Procurement is the process of obtaining goods or services, works in any way including purchasing, hiring, leasing and borrowing. Procurement involves with processing procurement or stock replenishment request/requisition, procurement planning, providing input to the preparation of specification for new purchases, supply market and identifying potential sources of supply, supplier evaluation and selection, negotiating, buying and developing contract and contract management etc. While the procurement is accomplished with public fund, then it is termed as public procurement.

Prior to year 2003, Bangladesh Chemical Industries Corporation (BCIC)- an statutory body used to follow Purchase Manual approved and adopted by the Board of Directors of BCIC in 185th meeting held on 30th September 1986 to which comes into force with effect from 18th October 1986.

Public Procurement Act 2006 (PPA-2006) formulated and kindly consented and 6th July by the President of Bangladesh Government and in order to enact the PPA-2006, the Public Procurement Rules -2008 (within PPR-2008) has come into force on 31st January 2008. All these Acts and Rules formulated with a view to ensure the transparency and accountability in spending public fund in procurement of goods or services, works and ensuring the indiscriminating treatment, free and fair and credible competition amongst the desirous participants in public procurement and supply activities. Till enforcing the PPR-2008, the Public Procurement Regulation-2003 (PPR-2003) was in effect and valid in public procurement. As the PPA-2006 and PPR-2008 are in effect now, so all the government agencies mandatorily obligated to follow and abide by the said act and rules in their public procurement.

As per section 67 of PPA-2006, The Central Procurement Technical Unit (CPTU) of Implementation, Monitoring and Evaluation (IMED) under Ministry of Planning has been vested with the following responsibilities to discharge in order to meet the purpose of this Act:

- a. Providing for monitoring compliance with and implementation of this Act through the authority as designated by the government.*

- b. Arranging for performance of the necessary functions and responsibilities incidental there to through the authority as designated by the government and.*
- c. Performing any other responsibilities as prescribed.*

Public Procurement Reform Project-II (PPRP-II), 2009 basically aimed to gradual improvement of the performance of the public procurement system wherein the focal areas are Bangladesh Water Development Board (BWDB), Roads and Highways Department (RHD), Local Government Engineering Department (LGED) and Rural Electrification Board (REB) and strengthening the procurement management at sectoral and agency level and CPTU to develop MIS system for reporting procurement activities and monitoring and evaluation system for monitoring the compliance of PPA-2006 and PPR-2008 in those target agencies mentioned above in the light of forty five Key Performance Indicators (KPIs).

It is specially mentionable here that BCIC- the largest state owned corporation – a Statutory body involved in spending public fund behind public procurement of goods, raw materials, chemicals, machinery and equipment for ensuring uninterrupted production of its product like Urea, TSP, DAP fertilizer, paper, cement, hardboard, sanitary wires and insulators, glass sheet mainly as per production target fixed by BCIC Board and along side of production of Urea fertilizer BCIC has to procure huge quantity of Urea fertilizer from international world market through State to State direct contract and floating international open tender to meet the country's requirement of Urea and distribution of the Urea fertilizer to the farmers of the country through the dealership system in the entire Bangladesh specially as per the government decision. A statement showing last five years (July to June) data of demand, production, distribution and stock position of Urea fertilizer is presented below:

Table1: Demand, Production, Distribution and Stock of Urea Fertilizer of the last five years

(Units in Metric Ton)

Financial year	Opening stock	Production	Import	Total availability	Demand as forecasted by MOA	Distribution against demand	Closing stock
01	02	03	04	05=(2+3+4)	06	07	08
2009-2010	454284	1058563	1490434	3003281	2951000	2409278	594003
2010-2011	594003	908837	1813849	3316689	2831000	2655245	661444
2011-2012	661444	933686	1279438	2874568	3000000	2296457	578111
2012-2013	578111	1026999	1314231	2919341	2500000	2246708	627633
2013-2014	672633	838628	1730975	3242236	2450000	2461681	780555

Hence it is clear from above statements that a huge amount of public fund is spent in each financial year behind procurement of Urea fertilizer lonely. Apart from this, for DAP Production target of one lac metric ton it is required to import all most one lac metric ton of Phosphoric Acid and about 0.25 lac metric ton of Liquid Anhydrous Ammonia as basic raw materials for DAP Production and for production target of one lac metric ton of TSP it is required to board 1.45 lac metric ton of Rock Phosphate, 0.30 lac metric ton of Phosphoric Acid and 0.37 metric ton of Rock Sulphur approximately are required to import/procure from overseas market through international open tender. The average price of Urea ranges from \$335-to 384 per metric ton,\$ 167- 198 per metric ton of Rock Phosphate, \$ 419 to 427 per metric ton of Phosphoric Acid, \$ 157.84 per metric ton of Rock Sulphur.

1.2 Statement of the problem

Initially CPTU selected four targeted agencies namely BWDB, RHD, LGED and REB under PPRP-II to measure the procurement performance by formulating 45 Key Performance Indicators (KPIs). As BCIC is not within the targeted agencies by CPTU hence using the same Key Performance Indicators (KPIs) specially the compliance, Transparency, Efficiency and Competitiveness related KPIs, the compliance of PPR-2008 in BCIC in the public procurement of goods can be attempted to measure for which an independent study may be initiated and conducted. It is well known to all that Key Performance Indicators (KPIs) are those qualitative and quantitative statement which defines adequate and desired performance against which progress and performance of an organization are measured.

1.3 Significance of the Proposed Research

Procurement performance of the targeted agencies are illustrated and outlined in terms of transparency, compliance, efficiency and competitiveness of government procurement rules and procedures wherein compliance of PPR-2008 is of paramount importance. It is because the transparency efficiency and competitiveness can not be possible to achieve without compliance of PPR-2008 and PPA-2006. Therefore compliance issue occupies a robust priority position in the entire procurement process. Compliances always bring a number of benefits for any organizations. Otherwise risk and vulnerability will be appeared in the procurement process and thus non compliance puts an organization in jeopardized position and involves the organization in creating non value adding activities. BCIC is a whole including its all enterprises uses huge amount of public fund in each year behind procurement activities wherein the application of PPR-2008 and PPA-2006 is must. So compliance of PPR-2008 and so related PPA-2006 plays a very significant role. In the back drop of this the degree of compliance in BCIC in public procurement of goods with special focus is required to be assessed.

1.4 Research Question

The proposed research will encapsulate the questions of how far /to what degree the compliance of PPR-2008 and PPA-2006 in BCIC in the procurement of goods is done and what difficulties in exercising /pursuing the same act and rules are faced. Therefore the research questions for the proposed research are mainly:

- 1. Is BCIC following PPR-2008 in Toto/completely in procurement of its goods?*
- 2. If not what are the possible reasons behind it?*

1.5 Objectives of the Research

The objectives of the proposed research are stated below-

To find out the extent of transparency, efficiency, competitiveness and compliance of PPR-2008 and PPA-2006 in procurement of goods in BCIC.

To point out the gap/disparity in respect of transparency, efficiency, competitiveness and compliance of PPR-2008 and PPA-2006 in procurement of goods in BCIC.

To address and list down the real difficulties and problems, if any, in implementing transparency, efficiency, competitiveness and compliance of PPR-2008 and PPA-2006 in procurement of goods in BCIC.

To find out the scope of improvement in regard to transparency, efficiency, competitiveness and compliance of procurement process.

1.6 Scope and limitation of the proposed research

The scope and delimited area of the research confined to BCIC head office and its few fertilizer factories namely Jamuna Fertilizer Company Limited (JFCL), Urea Fertilizer Factory Ltd. (UFFL), Polash Urea Fertilizer Factory Ltd. (PUFFL), Ashugonj Fertilizer Factory Ltd. and Chemicals Company Limited (AFCCCL), TSP Complex Limited (TSPCL) in the procurement of goods. Due to shortage of time interest of the respondent it was difficult to inspire the respondent to fill the questionnaire which were sent to them by postal mail outside the Natural Gas Fertilizer Factory Limited and BCIC Head Office. The respondents were requested over telephone and informed them about the purposes of the questionnaire. In spite of that the respondents were reluctant to fill up the format given to them even after repeated request. It was tried to select the respondent from the procurement department directly. But due to non-availability of the direct procurement officers few respondents were taken presently from outside the procurement department but experienced about the procurement systems in BCIC and its enterprises. This variation had to be done for the convenience and time limitation of the researcher. The respondents were asked to provide their opinion through the questionnaire based on their perception. As perceptions varied from respondent to respondent it was a major limitation of the study.

1.7 Research Methodology

The proposed study of the research conducted through exploring and mining information and data both in term of qualitative and quantitative from both primary and secondary sources. Primary data were sourced and collected through Questionnaire, Interview, Checklist, Focus group discussion, Observation, and from valid records. To the other extreme the secondary data would be obtained from printed and unprinted materials and examining the valid records, Journals, Files, Reports, Publications, Research Papers etc.

1.8 Organization/Structure of the study (chapter details)

The research study has been configured/organized in six broad headings. They are Introduction, Literature Review, Research Methodology, Results and Discussion, Conclusion and Recommendations and References.

In the introductory chapter-1, the area it embraces are the introduction and context, definition of the problem, significance, research questions, objectives, scopes and limitations of the study.

The chapter-2 starts with a short executive summary on PPA 2006 and PPR 2008, performance data of Key Performance Indicators (KPIs) related to Transparency, Efficiency, Competitiveness, and Compliance of PPR 2008 in procurement activities followed by BCIC and its Companies. A review of the Delegation of Financial Powers (DoFP) and quarterly and half-yearly reports of LGED and SRGB have been stated here.

In the chapter-3 the Methodology which covers sampling method, selection of research area, research period, sample size and data tabulation, processing & analytical framework of the research work.

The chapter-4 is commenced with result and discussion with the demographic pen picture of the respondents and key informants interview. Then the findings of the questionnaire survey have been demonstrated with an analysis and in-depth discussion.

The chapter-5 reflects the conclusion of the research which has been emerged from research and fosters some specific recommendations.

Finally, chapter-6 References and appendices have been demonstrated and inscribed for crystal clear apprehension and understanding of the research work

CHAPTER TWO

Literature Review

2.1 Public Procurement Act and Rules: An overview

2.1.1 Public Procurement Act (PPA 2006)

Public Procurement Act (PPA) 2006 as it is known to all that Public Procurement Act 2006 was passed by parliament and kindly consented by Honorable President of Bangladesh since 06 July 2006. This Act introduced with a view to provide for procedures to be followed for ensuring:

- a) *transparency and accountability in the field of purchasing or procurement of goods, works or services using public fund.*
- b) *equitable treatment and free and fair competition among all persons*
- c) *wishing to participate in such procurement including the matters incidental thereto.*

To enact the PPA 2006, rules are essential and must. For this reason, Public procurement rules (PPR) 2008 was framed and introduced vide government SRO no. 21/Act/2008 dated 24 January 2008.

It is worth noting that there are 73 (Seventy three) clauses under PPA-2006. Maximum Number of these clauses are backed by sub clauses. Again the total No. of (73 Seventy three) clauses are envisaged logically under 9(Nine) Chapter of for the case of understanding.

At a glance the chapter that covers the different clauses are delineated below:

Table2: Short Brief of PPA 2006 according to Chapter and Clauses

Chapter	Issues Covered	Clauses Coverage Covered
1	Primary issues	Clauses 1,2,3 and 4
2	Preparation of Tender/Proposal committee	Clauses 5,6,7 and 8
	Public Procurement related principles (Part - 1 – general guidelines)	Clauses 9,10,11,12,13,14,15,16, 17,18,19,20,21,22,23,24

3	Procurement related principles (part – 2 re participation in procurement process)	Clause 25,27,27,28
	Procurement related principals (Part-3 – complain and appeals)	Clause 29,30
4	Procurement methods of goods, works etc and its application (Part-1- Domestic/National procurement)	Clause 31,32
	Procurement methods of goods, works etc and its application(part 2 International Procurement)	Clause 33,34
	Procurement methods of goods, works etc and its application (Part 3 – Frame Desha Agreement etc)	Clause 35,36
5	Procurement methods of Intellectual and Professional services and its application (Part 1 – Domestic/National Procurement)	Clause 37,38
	Procurement methods of Intellectual and professional Services and its application (part 2 Intonation Procurement)	Clause 39
6	Processing of Procurement (Part 1 – advertisement) Processing of Procurement (Part 2 Determination Prequalification of goods, works etc)	Clause 40
	Processing of Procurement (Part 3 Tender processing for procurement of goods, works etc)	Clause 44,45,47,48, 49,50,51,52,53
	Processing of Procurement (Part- 4 processing of request for repression of interest and proposals for intellectual and professional services procurement)	Clause 54,55,56,57,58,59,60, 61,62,63
7	Professional disconnect offences etc	Clause 64
8	Use if electronic procuring system in public procurement etc	Clause 65
9	Miscellaneous	Clause 66,67,68,69,70, 71,72,73

2.1.2 Public Procurement Rules(PPR) 2008 :

Without the regulation/rules an act can't be made effective. In the back drop this spirit and essence to ensure an attainment of the objectives of PPA-2006, the PPR-2008 was introduced by the Government of Bangladesh which comprises of 130 (One hundred and thirty) rules under nine

chapters. In the light of the 73 clauses of PPA-2006 rules are formulated for enactment of the Act and for better understanding with crystal clear narration of procedures in the area all public procurement of Bangladesh. It may be noted here that this PPR 2008 was formulated under clause no. 70 of PPA-2006 vide SRO no 21- Act/2008 dated 24 January 2008. 09 (nine) chapters covering total number of 130 rules of PPR 2008 are highlighted in brief below:

Chapter 1 is all about the preliminary issues that include short headings and introduction. Definition of key terms and applicability of the rules, It envisages 3(three) rules (Rule 1 – 3).

Chapter 2 is all about the guidelines for preparation of Tender/proposals, formation of different committee (Tender opening committee), Tender evaluation committee), Tender evaluation methods, tender/proposal approval related procedures which are narrated in rules 4 to 12.

Chapter 3 focuses on the principles of public procurement. Wide narrations are reflected in this chapter. It has again 12 (Twelve) Part. Each part details the narration in rule for ease of understanding and real life practices. This 12(Twelve) parts cover terms of reference mode of communication, formulation of procurement plans, selection of procurement method, competition in procurement activities, determination of offer validity, extension of tender security and offer validity, extension of performance security/guarantee, retention money, preparation of specifications, maintaining confidentiality. Besides these, this chapter also tells about the proposal cancellation and post cancellation actions to be taken, notification of award, contract signing and its publication in CPTU website, Contract management, Contract cancellation, dispute resolution, maintenance of procurement related records and making it available on demand, post procurement review, qualification of individuals, JVCA, conflict of interest, right to complain and appeal, procedure of complain, formation of review panel and settlement of complain by review panel etc, Elaborate description of rules/sub rules are present in this biggest chapter of PPR-2008. It covers the 48 (forty Eight) rules (Rules 13 to 60)

Chapter 4 of PPR-2008 is all about the procurement method of goods and related services, works and physical services and the application of the different methods. This chapter consists of parts. This chapter demonstrate clear picture of application area & situation of different methods of procurement & tells about the preconditions to be met on the of application of the method of procurements. This chapter 4 envisages 29 rules (Rule – 61 to 89) for application four different method of procurement.

Chapter 5 is all about the processing of procurement that includes advertisement, prequalification, tender document selling, pre bid/tender meeting, tender document modifications, Preparation of tender document & submission of tender, Tender opening procedure, Tender evaluation procedures, approval procedure, issuance of NOA & contract signing. All these issues are delineated in part 2, 3 of this chapter 5. This chapter covers 13 (Thirteen) rules (Rule 90 to 102)

Chapter 6 basic embraces the rules stating the method & work process of procurement of intellectual and professional services. This chapter consists of three parts (e.g part 1, Part 2 and Part 3) where in 24 rules (Rule 103 to 126) are laid down.

Chapter 7 is all about the professional misconducts criminal offence fraud corruptions, etc in the course of procurement process and contract implementations. Chapter 7 narrates the Rule 127 and Rule 128 wherein the professional misconduct, criminal offence, fraud corruption are described & the preventive & remedial measures against those activities are mentioned herein.

Chapter 8 covers the Rule 128 which is all about the conducting of the Electronic method in public procurement etc. The Electronic processing system & the principals governing such system shall be prescribed by the Government.

Chapter 9 is basically covers the miscellaneous issues like concession contract, responsibilities of the government regarding monitoring, evaluation etc by CPTU. This chapter 9 embraces the 2 (two) rules (Rule 129 and 130)

Apart from these, to support the rules schedule-I which tells about the list of the standard tender documents for procurement of goods, works, services etc, schedule 3 that shows procurement processing and approval Time line. Schedule-4 states the procurement processing and approval procedures for goods of works. Schedule 5- a separate schedule which is about total procurement plan for development project/programme. Schedule-6 gives a format of reporting contract Award, Schedule- 7 which shows a format of Notification of Award (NOA), Schedule-8 is all about the records of procurement to be maintained by procuring entity. Schedule-9 is a table showing consultant and conflict of interest. Schedule 10 which is the form of invitation for Enlistment, Invitation for prequalification, Invitation for tenders. Schedule 11 is the format of Request for Expression of Interest (EOI). Schedule 12 which is the Tender Submission Forms, Financial Proposal submission Forms, Technical Proposals Submission Forms, Schedule 13 is all about the code of

ethics & this for public procurement and schedule 14 which is a format for Cabinet Committee for Government Purchase (CCGP). For the necessity of literature review, the PPA 2006 and PPR 2008 merits operational definiteness with all amendments done over PPR 2006 and PPR 2008 have been read out thoroughly and meticulously.

Since the focus of research is to find out the degree of Transparency, Efficiency competitiveness of the in the procurement in practicing PPR 2008 and compliance of PPR 2008 in procurement, hence The related rules of PPR-2000 had been linked up-with the KPIS for Transparency, efficiency, competitiveness and compliance of PPR-2008 have been intensively scanned & analyzed as par as possible.

2.2 Key Performance Indicators (KPIs)

Key Performance indicators (KPIs) are clear quantitative or qualitative statements which define adequate as desired performance in key areas critical Success factors, and against which progress and performance can be measured. The focal point about KPIs is that they narrates/tell performance goal is such way that is curable of direct, detailed, consistent measurement at operational level, using variable data collection system. The KPIs sets here are directly related with objective of PPR-2008 and PPR-2006 and these KPIs will provide feedback also.

The KPIs are always beneficial for an organization. Supply chain performance criteria and expectation managing identified risks in supply chain, focusing attention on integrated performance measures and critical success factors for minimizing suboptimal or silo behaviors, supporting performance measurement and improvement, providing feedback for learning and continuous improvement in the supply chain. From this standpoint that KPIs play a very significant role in finding out & measuring its current statues & degree of performance organization achieved against set KPIs are vividly apprehended. So KPI's are set basically for performance management, if performance are not measured, the organization will be unable to find out it performance gap and will repeat mistake rather improving & growth. Hence KPI are un-doughtily significant for any organizations as biological organism which has a life cycle.

Key Performance Indicators (KPIs) is used for defining and later on measuring the progress toward organizational goals. These measurements are quantifiable, agreed to beforehand, that shows the critical success areas of an organization. Once an organization has analyzed its mission and objectives, identified its stakeholders, and defined its goals, it needs a means to measure that progress toward those goals (Kamruzzaman ASM, 2015).

Standardized procedures of activities are required to measure the KPIs of an organization. Need to measure the performance is very significant, which also can be found in a proverb: “If you want to improve something, you have to measure it”, and another proverb: “What get measured gets corrected”-according to CIPS course guide book. Continual measuring is a base for continual improvements of organization performances which is one of the most important management principles. But too much measuring and very little measuring may gave mislead and confusing information (Kamruzzaman ASM, 2015).

SRGB grouped the 45 KPIs into four categories such as Compliance, Efficiency, Effectiveness, and Transparency. The Performance of the activities related to Procurement of the procuring entities of the four target agencies is assessed against each of the KPIs separately for (i) tenders/contracts each valued up to Tk. 20 million, (ii) tenders/contracts each valued above Tk. 20 million each at division level as well as at country level.

Moreover, CPTU has classified these 45 KPIs into 13 broad categories. These are (i) Invitation for Tender (IFT), (ii) Tender Submission, (iii) Tender Opening Committee (TOC) and Tender Evaluation Committee (TEC), (iv) Tender Evaluation, (v) Approval of Tender Evaluation Report (TER), (vi) Contract Award, (vii) Delivery/ Completion, (viii) Payments, (ix) Complaints, (x) Contract Amendments, (xi) Contract Dispute Resolution, (xii) Fraud and Corruption and (xiii) Procurement Management Capacity.

2.3 Compliance

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

rules and procedures specified in the PPA 2006 and PPR 2008. In other word, compliance means while procuring entity responds in accordance with in rules procedures mentioned in PPR-2008. Will the help of compliance the degree of comply with preset rules regulation defined in the PPR-2008 can be assessed while a procuring entity engaged itself in public procurement activity. The degree of adherence to government procurement rules by procuring entity can be attempted to determine by 11 specific KPIs which (KPI 6, 11, 13, 14, 19, 20, 21, 25, 31, 33, 35) are outlined below:

2.3.1 Average number of days between publishing of advertisement and Tender submission deadline (KPI 6)

This key performance indicator (KPI) generates from Rule 61(4) and (5) of PPR 2008. Where in schedule-2 of PPR 2008 is corresponding to this. According to the rule of PPR 2008 the allowable maximum time between publishing of an Invitation for Tender (IFT) and tender submission deadline depends on the estimated value of the IFT. In general, it is minimum 14 days and maximum 28 days. However, for an emergency, time can be reduced to 10 days (in case of OTM) to 7 days (in case of LTM). On the other hand in case of international open tender the minimum time allowed for tender submission form the vary date of tender notice advertisement is minimum 42 days and for retender 28 days.

2.3.2 Percentage of cases TOC included at least ONE member from TEC (KPI 11)

Rule 7 of PPR which provides guideline for the formation of this KPI is related with the tender opening committee and for working method and TOC and this is the base for KPI 11(Percentage of cases TOC included at least ONE member form TEC). According to the provision of Rule 7, there should three members in the TOM (one) of them must be from Tender Evaluation Committee (TEC) and two others form concerned procuring entity and other organization.

2.3.3 Percentage of cases TEC included two external members outside the Ministry or Division (KPI 13)

This key performance indicator (KPI) is derived from Rule 8 and corresponding schedule II of PPR 2008 has explained the guideline for configuration TEC with minimum five (5) and normally not exceeding 7 members while 2 of who at least shall be from outside the Ministry or Division or agencies under it. On the other hand, in case of low value procurement, TEC should be configured with minimum three (3) members, one (1) of whom shall be from other agency.

2.3.4 Average number of days between Tender opening and completion of evaluation (KPI 14)

This performance indicator (KPI) is concerned to rule-36 which explains the procurement approval procedure which has been explained in more details in Schedule 3 of PPR 2008. This KPI is based on the stated rule earlier. Depending on the contract approving authority (CAA), it varies from 2 to 3 weeks.

2.3.5 Average number of days taken between submissions of Tender Evaluation Report and approval of contract (KPI 19)

This performance indicator is generated from the Rule 14 and 36 of PPR 2008 which depends on CAA and it varies from one (1) week (for PD, PM or AO) to two (2) weeks(HOPE, Ministry, CCGP). Again it is worth nothing that the contract approving authority will be decided by the delegation of financial authority issued from Ministry of Finance, Government of the People's Republic of Bangladesh.

2.3.6 Percentage of Tenders approved by the proper financial delegated authority (KPI 20)

This key performance indicator is derived from Rule 36 also explained that delegation of Financial Powers (DoFP) issued by Finance Division, Ministry of Finance (MoF) should strictly be followed in case of approval of procurement and tender. This is a vital issue of ensuring transparency and completion of financial statement. This is demonstrating after collecting and checking data regulating procurement approval process. The statement of following this rule stated in PPA -2006 and PPR-2008.

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

This key performance indicator (KPI) is emerged from Rule- (36)-3 PPR 2008, Where the Approving Authority is at the level of the Head of a Procuring Entity or Project Director (PD), Project Manager (PM), or an authorized officer (AO) as per DoFP. The rule tells to submit the tender evaluation report (TER) by TEC directly to the head of the procuring entity (HOPE) or the project director or the authorized officer for approval and where the contract approving authority is Cabinet Committee for Government Purchase (CCGP), the rule of PPR -2008 tell to submit TER through concern Ministry. Hence according to the delegation of financial power this submission of TER depends whether TER will be submitted directly to contract approving authority (CAA).

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

This performance indicator KPI is developed from rule-36 (4) and corresponding schedule 2 of PPR-2008. This rule tells that NOA shall have to be issued and reached to winner of the tender generally within 7 (seven) working days upon receipt of the approval of tender proposal submitted by TEC but before the expiry of the tender offer validity date. This is very important area and rule to be adhered to by every procuring entity as one of the fundamental compliance issue of PPR-2008.

2.3.9 Percentage of Contracts having liquidated damage imposed for delayed delivery/completion (KPI 31)

This key performance indicator (KPI) comes from rule 39 (27) of PPR-2008 which tells that the constructor / supplier shall be held liable to pay liquidated damage (LD) at the rate per day or week as specified in the contract for each day of delay from the intended completion date (ICD) of the original contract or extended completion date provided that the total amount of LD shall not exceed the amount defined stipulated in the contract. This KPI is also a compliance parameter to procure entity in entire course of procurement and contract management.

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

This compliance related KPI is a measure of compliance monitoring of PPR -2008 which is taken under consideration. This KPI basically has been derived from rule 39 (22) of PPR -2008 wherein it has been inscribed that the procuring entity shall pay the constructor the amount certified by the project manager within 28 days of the project managers issuing a certificate of completion. It is worth noting that where payment for procurement is done through letter of credit (LC) terms which are internationally documentary credit standard is done by those LC terms where by the negotiation period is clearly mentioned for payment. If supplier gets its payments as per LC terms it is satisfactory one.

2.3.11 Percentage of Contracts where interest for delayed payments was made (KPI 35)

This Key performance indicator (KPI) is logical one relating to the requirement of PPR-2008. Payment of interest for delayed payment is a compliance monitoring issue which has been checked and verified whether interest was paid to the contractor/supplier for the delayed payment or not.

2.4 Transparency

Transparency means openness of the activities. Herein in the contract of proven document all information regarding management & communication will be free flowing of information, floating of tender shall be widely circulated in The print and electronic media so that the tender information reaches maximum potential market suppliers who desired to participate in the tendering process. As it is well conversant to all that government is the giant-purchaser and its of spending amount is quiver attractive & large than those of any other non-government spender in respect of procurement of goods, Works and service. So transparency in public procurement build the confidence, reliability & credibility amongst the influential stakeholders like government financier, development partners, The beneficiary of the goods, works & service under procurement etc. Transparency drive away the corrupters and wastages and creates value for money. That is why government agencies are required to ensure (i) publication of tender notice in widely circulated national local news papers allowing a minimum time for submission of tender from the data of publication as per the rules of PPR-2008 and make available the tender document for sell form the very first date of publication of tender notice (KPI-1) (ii) publication of Tender notice each having an official estimated cost of Tk 10 million and above in CPTU web site (KPI-2) and (iii) publication of contract award decisions each valuing Tk 10 million and above in CPTU website (KPI-28).

Lack of transparency in procurement process may encourage the inefficient and incompatible party to get in and this will turned down the value for money. A procurement system having the less transparent or opaque system may create new window for corruption and misuse of public fund.

2.4.1 Publication of Invitation of Tender (IFT's) in widely & well circulated national daily News Paper (KPI-01)

This is originated from Rule- 90 (1) of PPR-2008. As per rule 90 the procurer has to mandatory follow to ensure that the invitation of Tender (IFP) has been published in widely & well circulated national daily Newspaper or in local daily Newspaper in order to encourage in potential and interested tenderers/bidders to participate in the tenders.

2.4.2 Invitation of Tenders each Valued Tk. 10 million and above Tk. 10 million (goods) published in CPTU's website (KPI-2)

This KPI is generated from the Rule 90 (2) (jha) wherein the purchaser has to ensure that the notice of invitation tenders each valued of Tk. 10 million or above 10 million in goods procurement mentioned in schedule II has been sent to CPTU for publication in their website.

2.4.3. Publication of contract awards each valued Tk. 10 million and above 10 million in CPTU web site (KPI-28)

This requirement arises from rule 37 (1), 37 (3) and 126 (2), (3) schedule-2, schedule- 6 (Formal-6 and Formal-7) of PPR-2008. This rule tells the purchaser to publish the contract award each valuing Tk10 million above Tk10 million in CPTU website and preserve the notice as per timeline mentioned in schedule-2 in concerned format defined in schedule-6.

2.5 Efficiency

For the purposes of this study efficiency here means the procurement efficiency. Under the provisions of PPR 2008 the maximum time allowable for completion of different procurement activities has been specified. The level of procurement efficiency attained by an agency is, therefore, measured by the average time an agency takes to complete a particular procurement activity in comparison to the time limit specified in PPRP-2008 for that activity. The four key performance indicators (KPIs) related to the procurement efficiency are: (i) percentage of cases tender evaluation completed within timeline (KPI-15), (ii) percentage of contract award decisions made within timeline (KPI-22), (iii) percentage of contract award decisions made within initial tender validity period (KPI-29), and (iv) percentage of contract completed within the scheduled time (KPI-30).

2.5.1 Percentage of cases tender evaluation completed within time line (KPI-15)

This KPI is emerged from the requirement of concerned rule 8 (9) and rule- 36 (6) of PPR-2008 and its corresponding schedule- 3 per procurement processing and approval time table.

2.5.2 Percentage of contract award decisions made within time line (KPI-22)

This KPI is also emerged from the requirement if the concerned rule-56 (6) and corves pending suffered schedule- 3 which clearly shoes the time line specified in PPR-2008 per contract award by the contract approving authority.

2.5.3. Percentage of contract awarded within initial tender validity period (KPI-29)

The concerned provision/rule corresponding schedule-2 , rule 102 (1), (2,) and (3) of PPR-2008 speaks about the time line of contract award to successful tender winner of the tender where in it is mentioned that the contract award must be given within in offer validity period, otherwise, in tenderer has in right is a chance of creation of complications. Hence contract, award within initial tender validity period is a measuring rod of efficiency measurement for the procuring entity.

2.5.4 Percentage of contract completed within the scheduled time (KPI-30)

It is crystal clear is that the awarded contract shall be completed within schedule time mentioned in the contract. Otherwise, time overrun, cost overrun may arise out. Completion of the contract within schedule time is a measuring standard of efficiency for the procuring entity.

2.6 Competitiveness

Public procurement is manifested by the degree of interest and willingness of the tenderers to participate in tenders. Competition is desirable in public procurement and one of the most important factors to reduce the procurement cost. Competition has, therefore, a very positive role in the public tenders of Bangladesh. The wider dissemination of tender information increases competition, transparency as well as accountability will also increases. To attract the prospective tenderers, the tender notices should be distributed widely and the cost of tender documents should be kept low, so that the cost of entry for the potential tenderers may be the minimum. The information regarding the public tenders should be circulated widely in the national newspapers rather than in local ones. E-tendering of e-procurement can cause wider, effective as well as quicker dissemination of tender information, Allowing longer periods of preparation of tenders encourages the potential tenderers to participate in the tenders. According to the procurement guidelines (PPR 2008 and Development partner's Procurement Guidelines), it is important to allow sufficient time to the tenderers for preparing the tenders. Packaging of tenders is also an important element to influence the tenderers entry and tendering decision. Capability and capacity of the tenderers in terms of having appropriate equipment, capital, management skills, etc. restricts the tenderers to compete in big size tenders. The

number of tenderers competing for a work is inversely proportional to the value and sophistication of the work for which tender is invited. Also, the number of tenderers competing in a tender valued less than Tk. 20 million is normally larger than the number of tenderers competing in a tender valued above Tk. 20 million.

Competition also ensures the level of determination and seriousness of the tenderers in winning the tender. Stronger willingness leads the tenderers to purchase the tender documents, while firmer determination leads the tenderers to participate and submit tender and seriousness encourages them to comply with and fulfill all the prerequisites of the tender. The number of participants in a tender, demonstrate the degree of competitiveness. The four KPIs that measure competitiveness in procurement are: (i) average number of days allowed to prepare tender for submission (KPI-6) (ii) average number of tenderers who purchased tender document (KPI-8) (iii) average number of tenderers who submission tender (KPI-9) and (iv) average number of responsive tenders (KPI-16). Fair competition is the most significant aspect in public procurement, it does not matter whether it procure of goods, works or services. Absence of competition will encourage bid rigging and these would not be a creation of level playing for all prospective bidders/tenderers in participation in the tendering process. With the existence of competition, PE would ensure good quality. It may be assumed that the numbers of participation in the tender indicates the degree of competitiveness.

2.6.1 Average number of days allowed to prepare tender for submission (KPI-6)

This KPI emerged from the rule 83 (ka), and corresponding schedule-2 of PPR-2008 where in it must be minimum 42 days for international open tender and it must be minimum 28 days for re-tender and for two stage tendering method. The minimum time for 1st stage 42 days and for 2nd stage minimum 21 days time must be allowed for tenderer from the date of publication advertisement of tender floating. There is also minimum time line provision for other procurement methods separately in PPR-2008. So allowing longer time for preparation & submission of time indicate the congenial environment for higher competition. That is why the allowed submission time is a parameter for determining the degree of competition among the tenderers in the public procurement of goods, works or service.

2.6.2 Average number of tenders who purchased tender document/schedule (KPI-8)

This KPI comes from the requirement of rule 37- (i), and corresponding schedule-6. The number of tenderers purchased the tender document/schedule is the clear primary indication of the extant of the competition in tender. The higher the tender document sold out among the prospective tenderers primarily shows the higher the degree of competition in the procurement.

2.6.3 Average number of tenderers who submitted tender (KPI-9)

This is also derived from the requirement rule 37 (1) and corresponding schedule-6 for monitoring the competitiveness in public procurement. Many tenderers may buy tender document but in fact on the eve of submission date all may or may not submit. So submission of tenders in the due date indicates the degree of seriousness of the tenderer to win the business/tender which is a measure of competition. This KPI not only measures the degree of competition, but the degree of readiness of the tenderers when they have strong willingness & strong ability to participate in the tender by fulfilling prerequisites of the tender and submitted finally. Thus the expected level of competition in the tender can be guessed from the number of tenders submitted their tender finally in due time.

2.6.4 Average number of responsive Tender (KPI-16)

This KPI emerges from the requirement of rule-37 (i) and corresponding schedule-6 of PPR-2008. The higher degree/number responsiveness of the tender is a vital issue which indicates not only the degree of competitiveness but the degree of willingness, ability and capacity building in the tenderers. Non responsiveness of the tenderer reduces the competition. So the higher the number of responsive tenders ensure the higher the degree of competitiveness in public procurement.

2.7 Delegation of Financial powers for development projects and sub delegation

The delegation of financial power by Ministry of Finance, Government of the people's Republic of Bangladesh is the requirement under rule 36 of PPR-2008. The purchase proposal which is recommended by TEC will be approved by the proper contract approving authority as per delegating of financial authority and sub delegation thereof are playing a pivotal role, hence, the order of Ministry of Finance regarding delegation of financial power is a mandatory document to be considered as a compliance issue. Before the introduction of PPA-2006 and PPR-2008 Bangladesh Chemical Industries Corporation- the largest government owned sector corporation a statutory body used to follow BCIC's own delegation of financial and administrative power by virtue of provision of article 15 (2) of P.O. 27 of 1972 and the process so delegated had been exercised with utmost caution since 1st July 1986. This delegation of power delegated by the Board of Directors of BCIC by virtue of provision of article 15 (2) of P.O. 27 of 1972. According to the delegation of financial & administrative power BCIC's procurement would have been performed. Soon after the introduction of PPA-2006 and PPR-2008 the all public procurement are done in accordance with PPA-2006 and PPR-2008 and order of the delegation of Financial Power of Ministry of Finance, GoB. It is worth noting also that before the introduction of PPR-2003, PPR-2008 and there was a purchase manual in BCIC approved and by the Board of Directors, BCIC, in its 185th meeting held on 30th September, 1986 to come into force with effect from 1st October 1986 for implementation in the Head Office as

well as in the enterpriser projects under the management and control of BCIC (Bangladesh Chemical Industries Corporation). As per the “Purchase Manual”, raw materials, chemicals and machineries plants, auxiliaries were procured as per the directives & procedures laid down in it there was Store Control Manual the first –revised edition published by BCIC, to be noted here that Rule of Store Control Manual of was first published in October, 1968. This Store Control Manual consists of two part-I is store keeping manual end part II is store accounting manual. All these literatures have been studied & reviewed as integral part of this research work. Moreover, the formation amendments in delegation financial power related orders are also meticulously studied & scanned for this research work.

2.8 Quarterly reports of LGED

In the course of carrying out this research work it has been observed that limited literature is available on the issue of Transparency, Efficiency, Competitiveness and Compliance monitoring of PPR 2008 in Bangladesh. In fact, compliance monitoring of PPR 2008 has actually been set in motion after the commencement of PPRP II. For the purpose of monitoring and evaluation four individual consultants have been appointed in four (4) target agencies in Bangladesh. There are namely Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Roads and Highways Department (RHD) and Rural Electrification Board (REB). Another independent consultancy firm, Survey Research Group of Bangladesh (SRGB) has been appointed by CPTU to carry out the monitoring and Evaluation tasks/component of PPRP II so far it is observed.

Furthermore it may be mentioned here that in congruence to other target agencies mentioned above the individual consultant appointed in LGED by CPTU is engaged in monitoring the procurement activities of LGED and submitting the report quarterly basis. After having studied these reports it has been found that the overall performance against the agreed key performance indicator (KPIs) in LGED is gradually improving day by day.

2.9 Quarterly and half-yearly reports submitted by Survey Research Group Bangladesh (SRGB)

The center for research & management consulting firm (SRGB) Limited has been appointed by CPTU, IMED, Ministry of Planning, Govt. of Bangladesh. Under a contract signed on 7 June 2009 in between CPTU and SRGB. For monitoring and evaluation of overall performance of public procurement activities and practicing in four target agencies BWDB, REB, RHD, LGED in

Bangladesh against PPR- 2003, PPA- 2006, PPR- 2008 under PPRP II. This SRGB since then has been working on the assignment as per terms of reference which were inscribed in the contract. SRGB works on 45 (Forty Five) indicators for monitoring the performance of procurement activities: As many as 42 indicators, called the key performance indicators (KPIs), have been identified for measuring compliance and adherence to the provisions of Public Procurement Act 2006, Public Procurement Regulations 2003 and Public Procurement Rules 2008 by the procuring entities of the four target agencies. These selected KPIs, specified in the result monitoring framework (RMFW) of PPRP II for assessing and monitoring the procurement activities of the four target agencies, along with the respective work-processes are listed in Annexure-I. In addition, 3 more indicators, (KPIs 43, 44 and 45) have been specified for measuring the manpower strength of the procuring entities as listed in Annexure-I. In the light of the indentified those KPIs, SRGB has monitored and evaluate the procurement of target agencies and submitted reports. The reports of SRGB have been studied and it is found that overall performance of those target agencies has up and down trend.

CHAPTER THREE

Methodology

3.1 Methods of collecting data/Sampling method

For the purposes of this research study a questionnaire for survey was developed and adopted. As Survey method is the best method available to the social scientists interested in collecting original data used for this study. Also, the interview method was used as this is helpful to gather clear idea on the issue providing insight through the conversation. Both qualitative and quantitative questions were used in this study.

The questionnaire was used for this study which is given in the **Annexure B**. The questionnaire survey was adopted for collecting primary data from different stakeholders related to procurement activities of BCIC and having adequate knowledge with PPA 2006 and PPR 2008. Prior to collecting data and information demanding in the questionnaire, the general idea of the research objectives were interfaced with them. Then the questionnaire was given to them for providing data and opinion. They were requested to fill the questionnaire they had experienced in their real life of procurement regarding transparency, efficiency, competitiveness and compliance issue of PPR 2008 in procurement in BCIC and their own company. Both open end and close end questions were set in the questionnaire to reveal the real perception of the respondents. A 5-point Likert scale was set to measure the responses against all KPIs. The five points were used as follows: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4=Agree, 5= Strongly Agree. The question comprises 5 sections (A-E). Each sections contained questions related to Compliance, Efficiency, Transparency and competitiveness respectively.

For key informant interviews, few senior officers of BCIC and BCIC's different companies like JFCL, UFFL, PUFFL, AFCCL, TSPCL etc.

3.2 Selection of Research Area

On account of time constraint and considering the ease and convenience of the present study, BCIC Head Quarter's Purchase Division, Dhaka and BCIC controlled five Fertilizer companies like were selected for collection of data using the questionnaire. The study was predominantly focused on those foretold areas.

3.3 Research Period

Survey was carried out in those areas at different time from 05 August 2015 to 15 November 2015.

3.4 Sample Size

For Questionnaire, the respondents were tried to categorized in four different types namely i) BCIC's procurement related employee, ii) TEC Members, iii) Stakeholders who are dealing with BCIC and BCIC's controlled companies. As there are a good number of people are concerned with BCIC and BCIC's controlled companies procurement activities, a total of 60 (sixty) different officers were interviewed with the BCIC Head Quarters Purchase Division, Dhaka and the foretold five fertilizer companies' Purchase Division to provide specific information relating to procurement.

3.5 Data processing and Analysis/Analytical Framework

As a means of processing collected data have been cleaned, 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. 5 point Likert scale was used in the questionnaire to categorize the answers for easy analysis. Frequency distribution table and central tendency test have been done to see the findings of the sample. The graphical representations of the answers in the form of 'Pie chart' and/ 'Bar Chart' has been given for lucid understanding of the responses. Moreover, to know the results of KPI-35 from the respondent purposefully the question was set in the negative form. So the uniformity of the Likert scale could be maintained as 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4=Agree, 5= Strongly Agree.

For the purposes of analysis by using SPSS software the respondents demographic information collected through the questionnaire were transferred into data as 'Male' and 'Female' has been captured as 1 and 2 respectively. Similarly, Educational Attainment of the respondent has been classified as 'Diploma Holder /Undergraduate'=1, 'Graduate'=2, 'Post-Graduate'=3 and 'Professional Degree or PhD'=4. Regarding the public procurement training the respondent were asked to fill up the questionnaire and the data were incorporated as 'Received Training'=2 and 'Not received Training'=1. Procurement experience of the respondents were grouped as '<5 years'=1 named as Young Professional, '5-10 years'=2 treated as Junior Professional, '11-15 years=3 treated as Mid level Professional, '16-20 years=4 would be as Senior Professional' and respondent having 'above 21 years of experience'=5 as 'Expert Professional'.

Microsoft Excel has been used for preparing the frequency table & other tables and for constructing pie charts. Microsoft Work has been used for preparing the report.

Chapter Four

Results and Discussion

The purpose of this study is to find out the practices of PPA 2006 as well as PPR 2008 in terms of compliance, transparency, efficiency and competitiveness against various standard KPIs under the aforesaid four metrics in BCIC and its enterprises procurement activities. The demographic characteristic of respondents is presorted in table 4.1.

Table 4.1 Selected characteristics of respondent involved in procurement in BCIC

Item	Category and scoring system	Respondents (N=60)		Mean	SD	Chi-Sq. (Asym. Sig.)	Observed range (Possible)
		No.	%				
Years of Job Experience in PP (years)	Young (≤ 5)	06	10				4-25
	Junior (5-10 years)	24	40				(unknown)
	Mid-level (11-15 years)	07	11	2.950	1.307	17.500 (0.002)	
	Senior (16-20 years)	13	22				
	Expert (≥ 21)	10	16				
Gender	Male (1)	58	97			52.267 (0.000)	1- 2
	Female (2)	02	03	1.033	0.181		(1 or 2)
Level of education	Diploma /Undergraduate (1)	03	05	2.617	0.585	34.900 (0.000)	1-4
	Engineering/ Graduate (2)	17	28				(1 -4)
	MS/MBA (3)	40	67				
	Professional degree or PhD (4)	00	00				
Training on Public procurement	Yes (2)	37	62	1.617	0.490	3.267 (0.071)	1 or 2
	No (1)	23	38				(1 or 2)

4.1 Demographic overview of the respondents

4.1.1 Years of experience in public procurement

Depending on the experience in procurement recorded from the responses through questionnaire, respondents were classified into young professional (≤ 5 years), junior professional (6-10 years), mid-level professional (11-15 years), senior (16-20 years) and expert professional (≥ 21 years). Majority (40%) of the respondents involved in the research study in BCIC were junior professional where senior professional (22%) was in the second position. Expert professionals (16%) were terribly busy and reluctant to fill the questionnaire. On the other hand young professional (10%) scared to fill the questionnaire in spite of informing that the output of this study would be completely used for research purposes and opinion of the respondent will not be disclosed.

4.1.2 Gender

Males were the dominant procurement practitioners in the different procuring entities under this study i.e., BCIC and its enterprises (**Table 4.1**) with a percentage of 97. Lower representation of female in procurement might be due to lower representation of women's in BCIC as a whole as most of the jobs is factory oriented. Moreover, procurement as is a troublesome and risky job, women may not like to involve in it. Similar result was found by Kamruzzaman, (2015) though his study was encompassed with LGED and RHD. It might be the common scenario of women involved in services specially involved in procurement activities.

4.1.3 Level of Education

Most of the respondents (67%) had post graduate level education while no one having professional degree on procurement management or having PhD degree. About 28 percentage of respondents had graduated level education (**Table 4.1**). Respondent having no professional degree in procurement might be the case of non-availability of the training conducted by CPTU as BCIC was not the target organization which was GoB planned as like LGED, RHD, BWDB and REB . Small percentage (5%) of the respondent had less education but with a vast practical experience in BCIC head office and its different enterprise's procurement department. Even these experienced persons were posted in key positions in different enterprises running under BCIC.

4.1.4 Training on public procurement

Most of the procurement practitioners in BCIC and its enterprises under this study trained on procurement. But many of them were not trained under PPRP-II project implemented by CPTU,

IMED, Ministry of Planning except very nominal percent of respondents. As BCIC was not the target department of CPTU, the majority of respondents had procurement training course although the duration of the course varied from respondent to respondent.

4.2 KPIs related to measure compliance in public procurement

In terms of compliance the 45 KPIs set by CPTU to measure the procurement performance of the target organizations like LGED, RHD, BWDB and REB. But more specifically the following KPIs were categorized to measure the compliance as whole practiced by BCIC against standard. Some KPIs were used measure different metrics

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

Though the numbers of days between publishing of advertisement and tender submission deadline varies with procurement method, but the respondents of this study had shown a very significantly positive attitude having the Mean \pm SD were $4.917 \pm .279$. The performance on this KPI was similar with SRGB (2013), Rahman, (2012) and also Kamruzzaman, (2015). Present results might be consistent as the respondents might have similar experience and less diversified procurement process was followed.

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

This is a vital indicator for assessing the compliance in terms of opening and evaluation of tender. The practice of the respondents regarding inclusion of one member from TEC is very much consistent with Mean \pm SD 4.95 ± 0.220 . Amongst the respondents 95 percentages opined that BCIC TOC included at least one member from TEC which is similar to the finding of Kamruzzaman, (2015) and SRGB report (2013) for LGED and RHD. Though BCIC is not the target department of CPTU, their performance is quite satisfactory. The higher rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 7 of PPR 2008, the tender opening committee should include at least one member from TEC.

Table 4.2 Distribution of respondents in regard to compliance on various KPIs

KPIs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)
	5	4	3	2	1		
KPI-6	55	5	0	0	0	4.92 \pm 0.279	41.67(0.000)
KPI-11	57	3	0	0	0	4.95 \pm 0.220	48.60(0.000)
KPI-13	56	4	1	0	0	4.93 \pm 0.252	45.07(0.000)
KPI-14	36	21	3	0	0	4.55 \pm 0.594	27.30(0.000)
KPI-19	39	19	2	0	0	4.62 \pm 0.556	34.30(0.000)
KPI-20	52	5	3	0	0	4.82 \pm 0.504	76.90(0.000)
KPI-21	27	31	1	1	0	4.40 \pm 0.616	52.80(0.000)
KPI-25	48	11	1	0	0	4.78 \pm 0.454	61.30(0.000)
KPI-31	45	13	2	0	0	4.72 \pm 0.524	49.90(0.000)
KPI-33	50	7	3	0	0	4.78 \pm 0.524	67.90(0.000)
KPI-35	48	2	7	3		4.58 \pm 0.888	97.73(0.000)

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

Formation of TEC with two external members outside the ministry is a standard practice in public procurement. Data showed that the mean and standard deviation of the response were 4.93 \pm 0.252. SRGB (2013) found that the performance on this KPI was fully complied by both LGED than RHD, whereas Kamruzzaman, (2015) found a little deviation in case of RHD like BCIC. The reason behind this might be the lack of access of training on PPA 2006 and PPR 2008 for the BCIC officials.

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

This is an important indicator of compliance in public procurement. Tender should be evaluated with the within the tender validity period. The mean time taken between tender opening and evaluation and standard deviation of the response were 4.55 \pm 0.594. From the response frequency of the respondent it showed BCIC's performance on this KPI is satisfactory in comparison with the finding of SRGB (2013) and study conducted by Kamruzzaman, (2015) for LGED and RHD. Evaluation could be done more quickly in LGED than RHD found by Kamruzzaman, (2015). High value tender necessitate

longer evaluation time which might explain the finding of RHD. Similar explanation was also found in BCIC in addition of lack of procurement personnel.

4.2.5 KPI -19: Average number of days taken between submission of Tender evaluation and approval of contract

It is expected in public tendering process to complete the tendering process from submission of tender to approval of contract within timeline specified by the CPTU as indicated in PPR 2008. The mean and standard deviation against this KPI was 4.62 ± 0.556 . But according to SRGB (2013), the performance on this KPI was better in RHD than LGED, meaning RHD was prompt in tender evaluation and approval of contract. Even BCIC's procedure of approval is longer than LGED and RHD, it took less time in comparison with LGED and RHD. BCIC need board approval for high value contract which is a time consuming process but it could handle it efficiently to comply the PPR 2008 as far as possible.

4.2.6 KPI -20: Percentage of tenders approved by the proper financial delegated authority

To ensure the compliance and reduce the length of process as well as to reduce the time to complete the approval process of the tenders some financial power has been delegated to subordinate authority. Still then some tender process in different organizations practiced to get approval from the higher authority although the financial delegation was in active. The delegation of financial power for the project director is different compared to the power he/she could exercise at his own designated authority. Most of the project director performed their role as PD in addition to his/her main duty. Thus the complexity arises for fixing the proper approval authority of the tender. Even the authority of the PD's varied within the different categories of projects mentioned in DoFP. The mean and standard deviation of the response was 4.82 ± 0.504 which is better than LGED and RHD as found by Kamruzzaman, (2015). Similar results accounted by SRGB (2013).

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

The response of the respondent against cancellation of tender indicated the mean and standard deviation was 4.40 ± 0.616 . Present result shows that respondents' perception is almost similar to SRGB (2013) and Rahman, (2013).

4.2.8 KPI -25: Average number of days between final approval and Notification of award (NOA)

This KPI is very important in measuring the compliance as well as efficiency of the procuring entity. After evaluation of tender and getting approval of the contract from competent authority the PE should prepare the NOA against the fittest bidder keeping in mind the time bound specified by the PPR (2008). The performance of the PEs regarding efficiency will show how it can perform. The less time will require have better performance and took more time showed the PEs inefficiency. Present result shows mean and standard deviation of the response was **4.40±0.616**. This result is consistent with the SRGB (2013) which measured the performance on this KPI for both LGED and RHD. BCIC could be able to issue NOA after final approval of tender within the specified time period as mentioned by the 80 percent of respondents.

4.2.9 KPI -31: Percentage of contracts having liquidated damage imposed for delayed delivery/completion

LD is not imposed to compensate or recovery of losses. Contract having LD clause sometime stimulates the contractor to complete the contract within the given timeframe. LD should not be set as arbitrarily rather it should be genuine pre-estimate of losses if the contract will not be performed. In many contract LD sets in such a way it could not be executed as it appeared as penalty rather than as motivator of security of contract. A good procurement manager can ensure the LD clause to be effective but it should not the objective of a procuring entity to collect LD rather its aim should be to complete the contract within timeframe to ensure its efficiency and increase effectiveness. Sometimes litigation also arose due to the faulty LD amount. The mean and standard deviation of the response was **4.72±0.524**. But according to SRGB (2013), the performance on this KPI is better in BCIC compared to LGED and RHD, means least time was taken to perform the contract.

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

This compliance related KPI is a measure of compliance monitoring of PPR -2008 which is taken under consideration. This KPI basically has been derived form rule 39 (22) of PPR -2008 wherein it has been inscribed that the procuring entity shall pay the constructor/supplier the amount certified by the project manager within 28 days of the project managers issuing a certificate of completion. It is worth noting that where payment for procurement is done through letter of credit (LC) terms which are internationally documentary credit standard is done by those LC terms where by the negotiation

period is clearly mentioned for payment. If supplier gets its payments as per LC terms it is satisfactory one. The mean and standard deviation of the response was 4.78 ± 0.524 , which indicates majority of the respondents strongly believe that BCIC used to pay the bill to the contractor/supplier within 28 days after issuing certificate by the PM/Engineer. On the other hand minority percentage of respondent agreed that contractors were getting payment on time while rest were neutral to answer this question.

4.2.11 KPI -35: Percentage of contracts where interest for delayed payments was made

It is the right of the contractor or supplier to get the payment within 28 days after issuing the satisfactory certification by the contract manager. In some cases litigation arose due to delayed payment without interest as per PPR 2008. Though PPR 2008 supports this KPI to be followed, most of the organizations as well as BCIC did not provide the interest for delayed payment. As per rule PE should bound to pay the interest for delayed payment if the contractor claims as per contract. Standard tender document have a clause to ensure the right of the contractor. The mean and standard deviation of the response was 4.58 ± 0.888 . Most of the respondents strongly agreed with the statement of the KPI. SRGB (2013) also ascertain the similar findings for both LGED and RHD.

4.3 KPIs related to measure Transparency in public procurement

4.3.1 KPI-1: Percentage of Invitation for Tender (IFT) published in news paper

About 88 percent of the respondent believed that BCIC published their invitation for tender above threshold limit specified in PPR (2008) in widely circulated daily newspapers. The higher rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 61(4) of PPR 2008, the tender should be published on widely circulated newspaper based on the estimated value of the procurement of goods works and services. Similar results were found by SRGB (2013) where both LGED & RHD were published their all tender in newspaper. Still then sometimes questions arose regarding the definition of widely circulated newspaper.

Table 4.3 Distribution of respondents in regard to transparency on various KPIs

KPIs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)
	5	4	3	2	1		
KPI-1	53	7	0	0	0	4.88 \pm 0.321	35.27(0.000)
KPI-2	54	6	0	0	0	4.90 \pm 0.303	38.40(0.000)
KPI-8	34	17	7	1	1	4.37 \pm 0.882	64.67(0.000)

4.3.2 KPI-2: Percentage of invitation for tender (above threshold) advertise in CPTU's website

This is a vital indicator of transparency in public procurement. The practice of the respondents Mean \pm SD was 4.88 ± 0.321 . It means majority of the respondent support the statement mentioned in the questionnaire. Similarly, SRGB (2013) and Kamruzzaman, (2015) found both LGED and RHD were published their invitation for tender in CPTU's website. The higher rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 61(4) of PPR 2008, the tender should be published on CPTU's website based on the estimated value of the procurement of goods works and services. But according to SRGB (2013), the performance on this KPI was better in LGED than RHD. However, the present findings indicate the continuous improvement of BCIC against this KPI need to be addressed.

4.3.3 KPI -28: Percentage of Contract awards published in CPTU's website

Contract awards published in the CPTU's website depends on the contract value or threshold specified by PPR 2008. The PE's performances on this KPI help to measure its loyalty to Act and Rules of the country. The mean and standard deviation of the responses was 4.37 ± 0.882 . About 57 percentage of the respondent expressed their views as "strongly agree" about the publishing the contract awards in CPTU website above specified threshold. The present result is similar to SRGB (2013).

4.4 KPIs related to measure efficiency in public procurement

4.4.1 KPI -15: Percentage of cases tender evaluation has been completed within timeline

Evaluation of tender within the prescribed timeline is an important indicator of efficiency in public procurement. The response of the respondent indicated that BCIC could complete tender evaluation in a efficient manner but plenty of room for further improvement. The mean and standard deviation of the response was 4.63 ± 0.551 . Sometimes, non availability of the procurement professionals due to leave, sick, transfer may affect the evaluation. Similar results were found in SRGB (2013) for LGED and RHD and Rahman, (2013) for LGED alone.

4.4.2 KPI -22: Percentage of cases contract award decision made within timeline by contract approving authority after submitting tender evaluation report

As BCIC procurement activities were done both under the revenue budget and the development Project budget and it has definitely time constraint to complete the projects within the timeframe and procurement might be done by using the non development budget but within the timeframe. In case of procuring fertilizer it was very essential to receive that fertilizer on time where time was the essence

of the contract. Even though sometimes it took more time than usual course due to various reasons in BCIC. Although time is a major essence of the contract, cost overrun may occur due to fail of maintaining time to take decision regarding contract. The mean and standard deviation of the response was 4.77 ± 0.553 . Though the respondents mean appeared as satisfactory, it could be improved by increasing the efficiency of the personnel responsible for that process.

Table 4.4 Distribution of respondents in regard to efficiency on various KPIs

KPIs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)
	5	4	3	2	1		
KPI-15	40	18	2	0	0	4.63 ± 0.551	36.40(0.000)
KPI-22	49	8	3	0	0	4.77 ± 0.553	63.70(0.000)
KPI-29	46	14	0	0	0	4.77 ± 0.427	17.07(0.000)
KPI-30	31	26	3	0	0	4.77 ± 0.596	22.30(0.000)

4.4.3 KPI -29: Percentage of contracts awarded within initial tender validity period

Tender validity is the time by which a tenderer is bound to accept NOA within the time mentioned and submit the necessary document and guarantee. If the tender validity need to extend the PE should request the tenderer to do so and accordingly the tenderer should showed interest to extend the validity. Without the tender validity the contract will void or voidable. The performance of the PEs on this KPI measures the efficiency of the PE. Research results shows that mean and standard deviation of the response were 4.77 ± 0.427 . Sometimes tender validity needs to be enhanced due to valid reason from either party.

4.4.4 KPI -30: Percentage of contracts completed/ delivered within the original

Scheduled time mentioned in the contract

Contract should be completed within the given time. It is the duty and responsibility of the procuring entity's contract manager to complete the contract within the given timeframe. But if the contract could not be executed within the specified time due to forced majeure, the liquidity damage (LD) clause will not be effective and contract time needs to extend. Respondents' opinion shows that BCIC is performing similar pace on this KPI having mean and standard deviation of the response was 4.77 ± 0.596 while Kamruzzaman, ASM (2015) found the mean and SD for LGED and RHD were 3.77 ± 0.817 and 3.73 ± 0.740 respectively. But SRGB (2013) showed that the performance on this KPI

was better in RHD than LGED. Variation of response might be due to various types and nature of procurement involved by different PE.

4.5 PKIs related to measure competitiveness in public procurement

4.5.1 KPI-6: Average number of days between publishing of advertisement and tender submission deadline

Though the numbers of days between publishing of advertisement and tender submission deadline varies with procurement method, but the respondents of this study had shown a very significantly positive attitude on the period of tender submission having the Mean \pm SD was 4.917 \pm .279. The performance on this KPI was similar with SRGB (2013), Rahman, (2012) and also Kamruzzaman, (2015). Present results might be consistent as the respondents might have similar experience and less diversified procurement process was followed.

Table 4.5 Distribution of respondents in regard to competitiveness on various KPIs

KPIs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)
	5	4	3	2	1		
KPI-6	57	3	0	0	0	4.95 \pm 0.220	48.60(0.000)
KPI-8	28	21	1	0	0	4.62 \pm 0.524	34.30(0.000)
KPI-9	32	24	4	0	0	4.47 \pm 0.623	20.80(0.000)
KPI-16	31	22	5	1	1	4.35 \pm 0.840	62.67(0.000)

4.5.2 KPI -8: Average number of tenderers purchased tender documents

Most of the procurement practitioners in BCIC opined their strong agreement that a good number of tender documents were sold after IFT had been published. Average number of tenderers purchased tender document and the results of the present study (Mean \pm SD was 4.62 \pm 0.524) also support the SRGB (2013) results on this KPI. This number varied from tender to tender depending on the availability of qualified firms as per requirement by the procuring entity (PE) and past experience of the tenderer to deal with that PE; the BCIC. Due to bitter experience of getting late payment and cumbersome document needed some tenderer were not interested to participate in some tender even though they had sufficient expertise to carry out that tender due to different issues including poor governance issues.

4.5.3 KPI -9: Average number of tenderers submitted Tenders

Present study for this KPI found the Mean \pm SD were 4.47 \pm 0.623 which indicate that majority of the respondent strongly agreed with the performance of BCIC in terms of this KPI. But this result was

little bit ahead of the result found by SRGB (2013) for LGED and RHD. Competitiveness of the tender as well as transparency can be ensured by ensuring the submission of tenders without any difficulties. The more number of tenderer could submit the tender would ensure the competition which ultimately ensures the value for money of the public fund in BCIC procurement. This indicator also told about the extent of coercive practices regarding bid/tender rigging and coalition amongst the tenderer.

4.5.4 KPI -16: Average number of responsive tenders

Only preliminary responsive tender should be evaluated with the within the tender validity period. The response of the respondent indicated that BCIC got a reasonable number of responsive tender in its tendering process. This figure varied from tender to tender in the basis of nature and type of procurement. The mean and standard deviation of the response was 4.35 ± 0.840 . About 52 percentage of respondent strongly agreed that BCIC received a good number of responsive tender in their procurement activities which is also supported by 37 percentage of respondent’s opinion as agreed. It means the contractors of BCIC are comparatively more conversant regarding tender submission process as well as more accustomed with PPR 2008.

Moreover, by using SPSS software different compute variables were calculated in terms KPIs mentioned above under the heading of Compliance, Transparency, Efficiency and Competitiveness to measure the procurement performance of BCIC as a whole. Scale reliability of the four categories were also measured.

Table 4.6 Procurement performances of BCIC and its enterprises in terms of Compliance, Transparency, Efficiency and Competitiveness as well as scale reliability

KPIs	Mean \pm SD	Chi-sq (sig.)	Scale Reliability
Compliance	4.73 \pm 3.011	77.60(0.000)	0.732
Transparency	4.72 \pm 1.055	43.83(0.000)	0.186
Efficiency	4.66 \pm 1.594	33.00(0.000)	0.743
Competitiveness	4.60 \pm 1.748	64.53(0.000)	0.715

Procurement performance of BCIC in terms of newly created variable by using SPSS showed that the overall performance found satisfactory. Still there is room for improvement in the aforesaid four categories. Special attention should be given to improve the competitiveness. From the result it is

clear that the indicators set under the transparency were loosely interconnected. On the other hand, to measure the procurement performance of BCIC under the Compliance, Efficiency and Competitiveness comparatively better interlinked KPI were set the as their value found above 0.7, which is treated as standard.

Other KPIs which did not covered under the aforesaid four main categories like compliance, transparency, efficiency and competitiveness as per CPTU document had also contribution for measuring the procurement performance. But due the neglected percentage of contribution of those KPIs, it was not considered. Moreover, time and resource constraint were also in the consideration for exclusion of those KPIs.

Chapter Five

Conclusion and Recommendations

5.1 Conclusion

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

The present study results show a clear adherence to the rules of PPR 2008 in BCIC in carrying out most of the compliance against various KPIs with some variation. It was came to know from the interview taken with some senior/expert professionals regarding the procurement practices in BCIC over the years, they opined that a gradual improvement had achieved since enact the PPA 2006 and PPR 2008.

The response of procurement practitioners' were better (about 80 percent or above) in respect of compliance KPI 6 (Average number of days between publishing of advertisement and Tender submission deadline), KPI 11 (Percentage of cases TOC included at least ONE member from TEC), KPI 13 (Percentage of cases TEC included two external members outside the Ministry or Division), KPI 20 (Percentage of Tender approved by the proper financial delegated authority), KPI 25 (Average number of days between final approval and Notification of Award (NOA) and KPI 33(Average number of days taken for release payment from the date of certification of PM/Engineer) compared with others.

The perception were better in adherence of KPI 1 [Percentage of Invitation for Tender (IFT) published in Newspaper] and KPI 2[Percentage of Invitation for Tender (above threshold) advertised in CPTU's website] compared to KPI 8(Average number of Tenders purchased Tender Documents) in terms of transparency. Like the compliance the threshold value of mean about 80 percent or above were taken into consideration.

The result showed that the performance of procurement process in BCIC in respect of efficiency KPI 22 (Percentage of cases contract award decision made within timeline by Contract approving Authority after submitting Tender evaluation report), KPIs 29 (Percentage of Contract awarded within initial Tender validity period) and KPI 30 (Percentage of Contracts completed / delivered within the original schedule as mentioned in the contract) were almost similar whereas KPI 15 was little bit lagging behind in respect of other aforesaid three KPIs.

In regard to competitiveness of procurement process in BCIC KPI 6(Average number of days between publishing of advertisement and Tender submission deadline) scored the far better in comparison with other KPIs under the competitiveness arena.

5.2 Recommendations

From the present study, it is seen that BCIC is being complied better in compliance followed by Transparency, Efficiency and competitiveness against most of the KPIs for measuring their procurement performance. There are scopes and need for improvement in these areas as to have a 100% compliance of PPR 2008 in this organization and its enterprises. For further improvement, following recommendations are drawn based on the study:

- Political willingness and a clear commitment are necessary from the very top of government. The commitment towards compliance must be continuously expressed and down through the ministries, authorities and chief executives in all public bodies.
- Tender should be floated only after having availability of sufficient fund. This would not only ensure security of contract but also timely payment to the contractor [Rule 39 (22)]
- Liquidated damage clause to be properly applied as per Rule 39 (27) of PPR 2008. The amount of liquidated damage per day or per week should be calculated on the basis of approximate real monetary loss for delay, not just on the basis of blind guessing. Compensation event needs to be properly incorporated in the tender document so that contractors can get appropriate compensation if the situation arises so.
- Provision for payment of interest in case of delayed payment should be kept in the contract and implemented accordingly so that the rights of the contractor can be protected
- Development partners could play a catalytic role, by supporting Bangladesh in undertaking assessments, evaluating policy options and implementing strategies, to

create an enabling environment for monitoring procurement performance, by providing tools, knowledge, and funds to overcome the prevalent lack of resources.

- e-GP should be introduced to make the procurement process more efficient and transparent.
- The government should provide training to incorporate monitoring framework for procurement performance. Procurement professionals often lack proper training and tools for monitoring their procurement practices.
- Public sector procurement professionals should be given clear direction from the top of their organizations in complying on various KPIs through standard procurement practices. This should be supported through performance measuring systems and progress monitoring.
- Procurement should be done by the full-time procurement professionals and people who do procurement as a significant element of their work. There should be a clear HR policy in this regard. Procurement professionals often claimed abrupt transfer and posting to other professional areas which affect their career plan as well as achieving professional competence for achieving standard performance.
- A solid multi-stakeholder group had to be build first to help create public awareness on various KPIs. For the purpose of compliance, stakeholders should be involved in the evaluation and adjudication process. This will creates the conditions for effective collaboration between governments and citizens in a process that enhances legitimacy and accountability of public decision-making.
- There is the need for a broad or higher degree of collaboration and engagement between all parties, such as the government, private developers, construction professionals, contractors and suppliers, who are found to be the member of supply chain.

Chapter Six

References and Appendices

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Survey Questionnaire

Research Topic: Transparency, Efficiency, Competitiveness and Compliance of PPR 2008: A case study on BCIC based on KPIs

*This is a survey questionnaire for conducting a case study to find out how the compliance KPIs present by CPTU are being practiced in BCIC and its enterprises. The aim of this research is to find out the extent of Transparency, Efficiency, Competitiveness and compliance of PPR 2008 in BCIC and if there exists any hindrance to follow PPR 2008. It is a part of academic necessity for the **Masters in Procurement and Supply Management** in Brac Institute of Governance and Development (BIGD), Former Institute of Governance Studies (IGS), BRAC University. Your Sincere and honest response is valuable for the academic purpose. The researcher ensures you that the information to be provided by you will be kept confidential & will be used only for academic purpose.*

Part A: Respondent's Profile [Please encircle (o) where appropriate]

1.	Name of the respondent	:						
2.	Designation	:						
3.	Name of the organization	:						
4.	Job Experience (pls. tick)	:	<5 yrs.	5-10 yrs.	11-15 yrs.	16-20 yrs.	21-25 yrs.	>25 yrs.
5.	Relevancy with BCIC (Pls. Tick one)	:	Employee	TEC Member	Dealing with BCIC / BCIC's different Organization		Others (Specify pls.)	
6.	Educational qualification (Last degree obtained)	:						
7.	Do you have training on PPA and PPR 2008?	:	Yes / No					

Part B: The following statements ask you about **BCIC's practices of the KPIs as compliance of PPR 2008**. Please encircle (O) only one number that best reflects your opinion on the following 5 points scales (1= Very Poor, 2= Poor, 3= Good, 4=Very Good, 5= Excellent).

KPI No.	KPIs practices in BCIC	Scale 1 to 5				
KPI-6	To the undersigned, BCIC/my Organization is maintaining time for `publishing Advertisement and Tender submission deadline`.	1	2	3	4	5
KPI-11	To the undersigned, in BCIC/my Organization, TOC always consists of at least one member from TEC.	1	2	3	4	5
KPI-13	To the undersigned, BCIC/my Organization followed the rule of including two external members for TEC.	1	2	3	4	5
KPI-14	To the undersigned, BCIC/my Organization followed standard time between tender opening and tender evaluation.	1	2	3	4	5
KPI-19	To the undersigned, BCIC/my Organization followed standard time between submission and approval of Tender Evaluation Report (TER)	1	2	3	4	5

KPI-20	To the undersigned, in BCIC/my Organization, tenders are approved by proper CAA with DFP	1	2	3	4	5
KPI-21	To the undersigned, in BCIC/my Organization, TEC submits TER directly to the CAA.	1	2	3	4	5
KPI-25	To the undersigned, in BCIC/my Organization, timeline between approval of TER and issuance of NOA is followed Properly.	1	2	3	4	5
KPI-31	To the undersigned, in BCIC/my Organization, liquidated damage clause is imposed in the contracts where applicable as per Rule 39(27)	1	2	3	4	5
KPI-33	To the undersigned, in BCIC/my Organization, liquidated damage clause is imposed in the contracts where applicable as per Rule 39(22)	1	2	3	4	5
KPI-35	To the undersigned, in BCIC/my Organization, interest is paid for delayed payment regularly.	1	2	3	4	5

Part C: The following statements ask you about **BCIC's practices of the Transparency Related KPI.** Please encircle (O) only one number that best reflects your opinion on the following 5 points scales (1= Very Poor, 2= Poor, 3= Good, 4=Very Good, 5= Excellent).

KPI No.	KPIs practices in BCIC	Scale 1 to 5				
KPI-1	To the undersigned, BCIC/my Organization practicing Invitation of Tender (IFT) published in widely circulated national Daily News Paper.	1	2	3	4	5
KPI-2	To the undersigned, in BCIC/my Organization, Invitation for Tender (IFT) threshold value TK. 10 million and above TK. 10 million (goods) published in CPTU's website is a common phenomenon in my Organization.	1	2	3	4	5
KPI-28	To the undersigned, BCIC/my Organization publication of contract awards each valued TK. 10 millions and above TK. 10 million in CPTU website.	1	2	3	4	5

Part D: The following statements ask you about **BCIC's practices of the Efficiency Related KPI.** Please encircle (O) only one number that best reflects your opinion on the following 5 points scales (1= Very Poor, 2= Poor, 3= Good, 4=Very Good, 5= Excellent).

KPI No.	KPIs practices in BCIC	Scale 1 to 5				
KPI-15	To the undersigned, BCIC/my Organization is practicing to evaluate the tender within time line mentioned in PPR- 2008	1	2	3	4	5
KPI-22	To the undersigned, in BCIC/my Organization, contract award decision made within timeline by contract approving authority after submission of tender evaluation report.	1	2	3	4	5
KPI-29	To the undersigned, BCIC/my Organization contracts were awarded within initial tender validity period.	1	2	3	4	5
KPI-30	To the undersigned, BCIC/my Organization contract completed within the original schedule of time/shipment time as mentioned in contract.	1	2	3	4	5

Part E: The following statements ask you about **BCIC’s practices of the Competitiveness Related KPI**. Please encircle (O) only one number that best reflects your opinion on the following 5 points scales (1= Very Poor, 2= Poor, 3= Good, 4=Very Good, 5= Excellent).

KPI No.	KPIs practices in BCIC	Scale 1 to 5				
KPI-6	Maintaining time for preparation of tender for submission	1	2	3	4	5
KPI-8	Number of Tenderers/Bidders purchased Tender Document.	1	2	3	4	5
KPI-9	Number of Tenders/Bidders submitted Tender/Bids.	1	2	3	4	5
KPI-16	Number of responsive tenderer / Bidders.	1	2	3	4	5

Signature (optional)

Thanks for your kind cooperation

Key Performance Monitoring Indicators

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
1.	Invitation for Tender	Advertisement of Tender opportunities in Newspaper	1	Percentage of Invitation for Tender (IFT) published in Newspaper
		Advertisement of Tender opportunities in CPTU's website.	2	Percentage of Invitation for Tender (above threshold) advertised in CPTU's website
		Tenders following GoB Procurement Rules	3	Percentage of Tenders following GoB Procurement Rules
		Tenders following Development Partner Rules	4	Percentage of Tenders following Development Partner Rules
2.	Tender Submission	Multiple locations submission Tenders	5	Percentage of Tenders allowed to submit in multiple locations
		Tender preparation time in Open Tendering Method	6	Average number of days between publishing of advertisement and tender submission dead line.
		Tender time compliance	7	Percentage of Tenders having sufficient tender submission time
		Sale of Tender documents	8	Average number of Tenders purchased Tender Documents
		Tenderer Participation	9	Average number of Tenderers /Bidders submitted Tenders
		Tenderer Participation Index	10	Ratio of number of Tender submission and number of Tender document sold
3	Tender Opening Committee (TOC) and Tender Evaluation Committee (TEC)	Tender Opening Committee formation	11	Percentage of case of TOC included at least one member from TEC.
		Tender Evaluation Committee formation	12	Percentage of cases TEC formed by Contract Approving Authority
		External member in TEC	13	Percentage of cases TEC included Two external members outside the Ministry or Division.

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
4.	Tender Evaluation	Tender evaluation time	14	Average number of days between Tender opening and completion of evaluation
		Compliance of Tender evaluation time	15	Percentage of cases Tender evaluation has been completed within timeline
		Tenders Acceptance	16	Average number of responsive Tenders
		Re-Tendering	17	Percentage of cases TEC recommended for Re-Tendering.
		Tender Cancellation	18	Percentage of cases where Tender process cancelled
5.	Tender Evaluation Report (TER) approval	Tender Evaluation approval time	19	Average number of days taken between submission of Tender evaluation and approval of contract
		Compliance of financial delegation	20	Percentage of Tender approved by the proper financial delegated authority.
		Submission of evaluation report to appropriate authority	21	Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is Hope or below.
		TER approval compliance	22	Percentage of cases contract award decision made within timeline by Contract approving Authority after submitting Tender evaluation report
		Additional review of TER	23	Percentage of cases TER reviewed by person/committee other than the Contract Approving Authority
		Higher tier approval	24	Percentage of Tenders approved by higher tier than the Contract Approving Authority

6	Contract Award	Time for issuance of NOA to Tenderer	25	Average number of days between final approval and Notification of Award(NOA)
		Tender processing lead time	26	Average number of days between Tender opening and Notification of award (NOA)
		Total Tender processing time	27	Average number of days between Invitation for Tender (IFT) and Notification of award
		Publication of award information	28	Percentage of Contract awards published in CPTU's website
		Efficiency in contract Award	29	Percentage of Contract awarded within initial Tender validity period
7.	Delivery/ Completion	Delivery time	30	Percentage of Contracts completed / delivered within the original schedule as mentioned in the contract
		Liquidated damage	31	Percentage of Contracts having liquidated damage imposed for delayed delivery/completion.
		Completion rate	32	Percentage of Contracts fully completed and accepted
8.	Payment	Payment release compliance	33	Average number of days taken for release payment from the date of certification of PM/Engineer.
		Late payment	34	Percentage of cases (considering each installment as a case) with delayed payment
		Interest paid for delayed payment	35	Percentage of Contracts where interest for delayed payment was made.
9	Complaints	Tender procedure complaints	36	Percentage of Tender procedures with complaints
		Resolution of complaints with award modification	37	Percentage of complaints resulting in modification of award
		Resolution of complaints	38	Percentage of cases complaints have been resolved
		Independent Review Panel	39	Percentage of cases review panel's decision upheld
10	Contract amendments	Contract Amendment/ variation	40	Percentage of contract amendments/ variations
11	Contract dispute	Unresolved Disputes	41	Percentage of Contracts with unresolved disputes

	resolution			
12	Fraud & Corruption	Fraud & Corruption	42	Percentage of cases Fraud & Corruption detected
13	Procurement Management Capacity	Procurement training	43	Average number of trained procurement staff in each procuring entity
			44	Percentage of procuring entity which has at least one trained/ certified procurement staff
			45	Total number of procurement with procurement training

KPI's No. 6,11,13,14,19,20,21,25,31,33,35 are Compliance KPI's

KPI's No. 1,2,28 are Transparency KPI's

KPI's No. 15,22,29,30 are Efficiency KPI's

KPI's No. 6,8,9,16 are Competitiveness KPI's

Bolts are subject Study related KPI's

Compliance Related Key Performance Indicators (KPI) for PPR 2008

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

Transparency Related Key Performance Indicators (KPI)

Sl. No.	KPI No.	Description of KPI	Related Rules of PPR 2008
1.	1	Percentage of invitation for tender published in newspaper	Rule 90(1)
2.	2	Percentage of invitation for tender threshold value TK. 10 million & above TK. 10 million	Rule 90(2) (Jha)
3.	28	Percentage of contract award each valuing TK. 10 million & above TK. 10 million published in CPTU	Rule 37(1) and 126(3)

Efficiency Related Key Performance Indicators (KPI)

Sl. No.	KPI No.	Description of KPI	Related Rules of PPR 2008
1.	15	Percentage of cases tender evaluation has been completed within time line.	Rule 8(9), 36(6)
2.	22	Percentage of cases contract award decision made within time line by Contract Approving Authority(CAA)	Rule 36(6)
3.	29	Percentage of contract awarded within initial tender validity period.	Rule 102(1)
4.	30	Percentage of contract completed / Delivered / shipment made within the original schedule as maintained in the contract.	

Competitiveness Related Key Performance Indicators (KPI)

Sl. No.	KPI No.	Description of KPI	Related Rules of PPR 2008
1.	6	Average number of days between publishing of advertisement of tender and tender submission deadline.	Rule 83 ka
2.	8	Average number of tenderers / bidders purchase tender document.	
3.	9	Average number of tenderers / bidders submitted tender / bid.	
4.	16	Average number of responsive tenderers / bidders.	

Chart:1 Distribution of Respondents based on their Experience

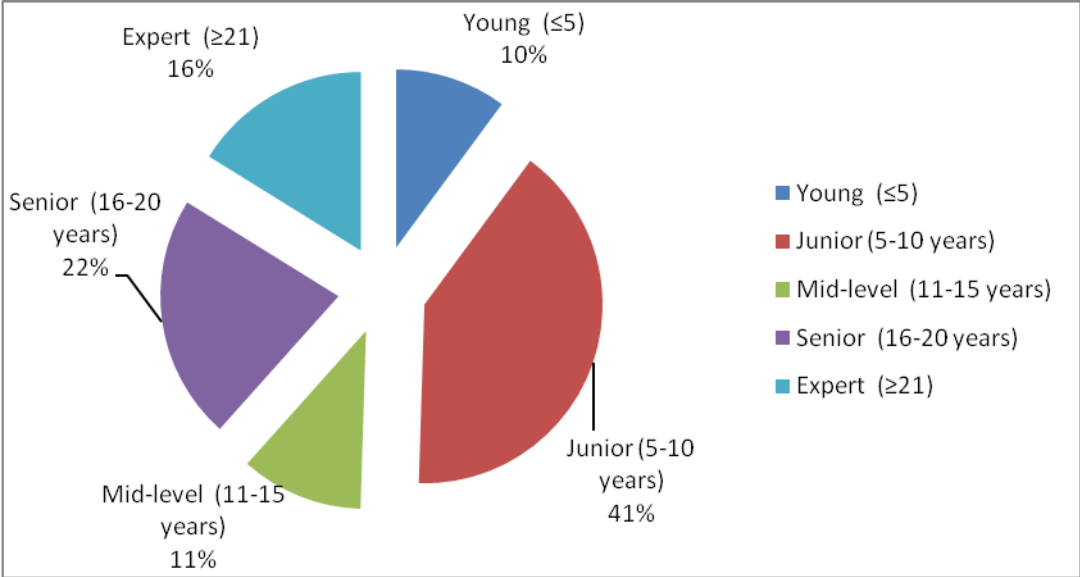


Chart:2 Distribution of Respondents based on Gender

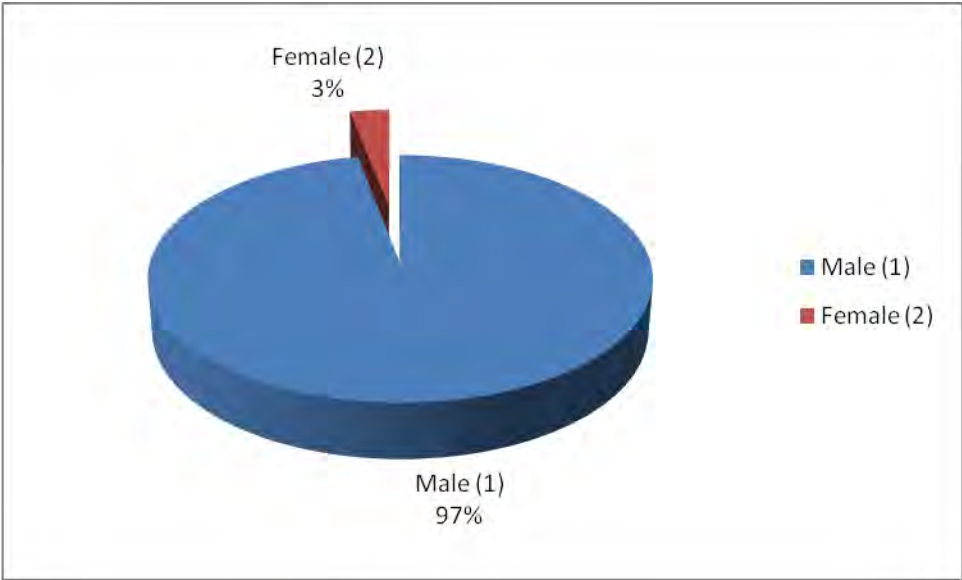


Chart:3 Distribution of Respondents based on Educational Attainment

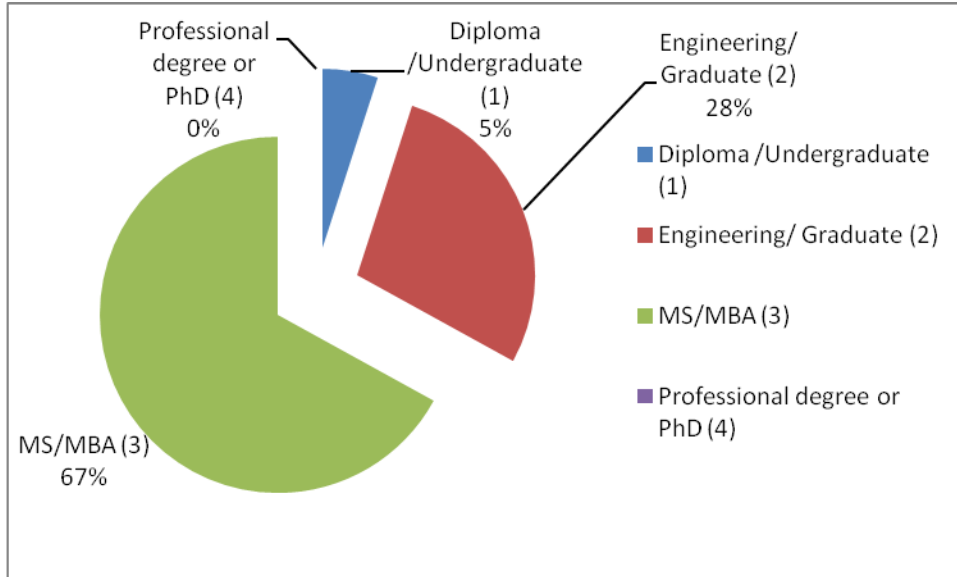


Chart:4 Distribution of Respondents based on Public Procurement Training

