

Thesis Report

Decentralized Procurement practice at municipality level under BMDF financing in Bangladesh: An analysis

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13 August 2014

To

Dr. Md. Zohurul Islam
Academic Coordinator
Institute of Governance Study
BRAC University

Subject: Submission of Thesis Report (revised) for MPSM

Dear Sir,

I am pleased to submit my internship thesis report on “*Decentralized Procurement practice at municipality level under BMDF financing in Bangladesh: An analysis*” which was assigned to me to prepare as the partial requirement of the degree of Master of Procurement and Supply Management.

I hope that you will be kind enough to accept this work for evaluation and consider the requirement of the degree.

Thanking you.

Sincerely,

Mohammad Ali Hossain
Student ID: 13382021
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Abbreviations and Acronyms

BMDF	Bangladesh Municipal Development Fund
LGD	Local Government Division
LGED	Local Government Engineering Division
ULBs	Urban Local Bodies
TNUDF	Tamilnadu Urban Development Fund
BCC	Barisal City Corporation
RCC	Rajshahi City Corporation
LGI	Local Government Institute
MD	Managing Director
XEN	Executive Engineer
BEC	Bid Evaluation Committee
CA	Contract Agreement
GoB	Government of Bangladesh
HOPE	Head of Procuring Entity
IGS	Institute of Governance Studies

KPI	Key Performance Indicator
LGED	Local Government Engineering Department
PE	Procuring Entity
PPA, 2006	Public Procurement Act, 2006
PPR, 2008	Public Procurement Rules, 2008

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Chapter-1

1.1 Introduction/Background:

With the advent of the 21st century, the world is on the threshold of a new era of development. However, the fact remains that now-a-days there has been a mass exodus of people from rural areas to urban places. Different authors estimate that by 2025 more than half of the total population of Bangladesh will live in urban areas. The Urban Local Bodies (ULBs) comprised with municipalities and City Corporations have been playing a vital role in accommodating the newcomers and in rendering necessary basic services. But, the task is Herculean as the trend of urbanization is around 4.5% against the growth of national population at the rate of 2.05%. The influx of migration to the urban places keeps creating continuous demand for various services. The hard reality is that the national government finds it very difficult to provide the ULBs with adequate fund for such service facilities due to financial constraints. Most ULBs do not have sufficient resources, as well, for carrying out their infrastructure development.

On the above context, the government decided to form a company to facilitate development of municipalities in 1999. Subsequently, in 2002, Bangladesh Municipal Development Fund (BMDF), a government owned company, came into being under the Companies Act, 1994 to provide financial support to the ULBs with an aim to reduce urban poverty and to improve environmental condition through infrastructure development.

The newly emerged BMDF has embarked upon a unified program for sustainable growth and development of the total number of 314 municipalities and 11 City Corporations all over the country. Its main purpose has been i) to provide both financial & technical support to the ULBs with an aim to help them become self-sufficient; ii) to extend financial support to the eligible ULBs with a view to strengthen their institutional and financial capacity to plan, finance, implement and operate infrastructure services; iii) to procure, arrange, secure, receive and accept loans, aid, grants and donations from any lawful source to create a fund and make available the same for utilization by ULBs on a set of transparent terms and conditions; iv) to provide and render financial and technical assistance and advice to ULBs seeking fund for infrastructural development on a self-selecting basis.

BMDF has been working as an independent company under Banking and Financial Institution Division of Ministry of Finance. According to the Article of Association of the Company, BMDF works under a General Body and a Board of Directors. Both are headed by the Secretary, Local Government Division. The General Body provides policy guidelines and directives to the company in its Annual General Meeting (AGM). The Board of Directors pursues and carries out the objectives of the company as set forth in the Memorandum of Association. The Board of Directors consists of eleven members.

Works, goods and services are procured in accordance with PPR-2008 and donor's guidelines. BMDF does not finance any approved proposal which has not been procured in accordance with the Guideline. The works are procured by ULBs in a decentralized way; BMDF assists them in every stage of the process of procurement and implementation from the centre.

So far, BMDF received US \$ 64 million under IDA credit # 3177-BD in 2002. BMDF in turn has provided 115 ULBs with the fund

and with this fund ULBs have procured contractors against 451 work packages for different basic urban infrastructure development. Again US\$ 42 million was given to BMDF under IDA credit # 4761-BD. Under this credit, BMDF has funded 65 ULBs (new and old ULBs) for 141 work packages for the same.

Local Government Engineering Department (LGED) would take donor funded projects for urban infrastructure development at municipality level with centralized procurement practice before 2002. Government of Bangladesh had established a company named Bangladesh Municipal Development Fund (BMDF) under ministry of finance in 2002 with a view to basic urban infrastructure development at municipalities of Bangladesh through decentralized procurement. BMDF had allocated US\$104 million fund received from the World Bank under IDA credit# 3177-BD and 4761-BD. About 592 packages of civil works had been implemented in the 154 municipalities to utilize the above fund for urban infrastructure development. 10 years have already been passed since BMDF's inception with inclusion of a new practice of decentralized procurement.

This thesis focused on collecting data and analyzing those data in context of procurement efficiency and compliance on applicable procurement procedures/rules at newly adopted decentralized procurement practice done by the municipalities of Bangladesh under BMDF financing.

1.2 Problem Statement

Procurement efficiency and compliance on applicable procurement procedures/rules at newly adopted decentralized procurement practice done by the municipalities of Bangladesh were unknown to policy makers. It was the perception of the central government that local government, specially municipalities were neither capable nor dependable to procure large value of works by their own. As a result, government did not allow them for decentralized procurement for the large scale development. Only small chunk of ADP allocation was under decentralized procurement. But in order to build up capacity of the Municipalities decentralization is the essence of the time. There was no study to find out its output whether the result of decentralized procurement was satisfactory or not in terms of procurement efficiency and compliance on the applicable procurement procedures. But the governments and public perception was that performance of the decentralized/local bodies was not satisfactory. As a result, before BMDF establishment, big budget development project for urban development under LGED, it was nothing but spoon feeding policy/technique i.e. centralized procurement was in practice. After BMDF establishment since 2002, decentralized procurement practice were started. Till to-date about 592 packages of civil works had been implemented in the 154 municipalities under this type of practice. Determination of the procurement efficiency and compliance on applicable procurement procedures might help the policy maker to decide whether the decentralized practice should be continued and expanded or back to the centralized practice.

1.3 Research Questions

- How much efficient the municipalities are in practice on decentralized procurement at municipality level in Bangladesh under BMDF financing? Here, efficiency means timely completion of every stages of procurement from upstream to downstream jobs viz. need identification and analysis, procurement planning, tender floating, evaluation, contract agreement, Contract management etc. Here, decentralized procurement means to delegate the power to the municipalities to process tender, evaluate tenders and accomplishment of contract agreement and contract management by municipalities' own capacity.
- How much compliance on the applicable procurement procedures they maintain? In Bangladesh, there is a Public Procurement Act (PPA) 2006 and Public Procurement Rules (PPR) 2008 which are mandatory to comply for any public fund utilization. That's why compliance on PPA & PPR is a major concerned. Compliance is necessary to ensure that public procurement promotes value-for-money; and to ensure that public procurement is carried out fairly, openly and without discriminating against any person or firm.

1.4 Purpose/Objectives

The purpose of the analysis is i) to find out the level of efficiency of decentralized procurement being practised by the municipalities under BMDF financing i.e. to measure the degree of efficiency on procurement process in terms of time whether it has been conducted in the stipulated time in every stages of procurement and ii) to find out the degree or percentage of compliance on applicable procurement procedures/rules during decentralized procurement activities done by the municipalities under BMDF financing.

1.5 Significance/Rationale

BMDF had allocated US\$106 million fund to 154 municipalities received from the World Bank with a view to basic urban infrastructure development through decentralized procurement. About 592 packages of civil works had been implemented in the 154 municipalities to utilize the above fund for urban infrastructure development from 2002 to till date. 10 years have already passed since BMDF's inception with inclusion of a new practice of decentralized procurement. Time has come to collect data and analyze those in context of procurement efficiency and compliance on applicable procurement procedures/rules at newly adopted decentralized

procurement practice done by the municipalities of Bangladesh. Result getting from this analysis will help to policy makers to take further proper steps in capacity building including Training Need Assessment (TNA) of municipal officials on procurement management in terms of efficiency and compliance on rules which will ensure better governance and better development output at local government level.

This has another significance in reducing the corrupt practice in local government level specially municipality level which is the burning issue for the nation.

Chapter-2

Literature Review

2.1 What is procurement?

Procurement is the acquisition of goods, services or works from an outside external source. It is favourable that the goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion.

2.2 What is centralized procurement?

A purchasing system in which all the departments of a company with a wide geographical distribution can make purchases through a common purchasing organization. Centralized purchasing aids finding the best deals with local vendors for the corresponding location of the company department. Avoids duplicity of orders and promotes benefits arising from the high volume bulk discounts, lower transportation and inventory management costs, organized transactions and improved vendor relationships. Usually located at company headquarters.

2.3 What is decentralized procurement?

Decentralized purchasing refers to purchasing materials by all departments and branches independently to fulfill their needs. Such a purchasing occurs when departments and branches purchase separately and individually. Under decentralized purchasing, there is no one purchasing manager who has the right to purchase materials for all departments and divisions.

2.4 Merits and demerits of centralized & decentralized procurement?

Advantages of Centralized procurement:

- Production economies of scale
- Avoiding duplication of efforts
- Reducing mistakes
- Increased specialization
- Knowledge resource sharing

Disadvantages of Centralized procurement:

- The specific requirements of the individual items may not be attended successfully. At times, it may result in absence of matching of mind between the needy section and the buying section resulting in wrong buying.
- The centralized standard procedure may result in delays in receiving the materials.
- It is likely that the centralized buying staff may not be expert in buying varied types of items.
- In case of multi-plant units located at distant places and receiving their requirements from centralized storing, it may not be possible to tap the local resources. However, this situation can be handled effectively authorizing the regional purchase agent to make local purchases if they involve cost advantage.
- It adversely affects the employee morale. It can be concluded that the company should centralize all policy matters, the purchase of major raw materials and capital equipment should be made by the head office, while the individual divisions should be allowed to make their own purchases in accordance with the policies established by central office. If the company adopts the “profit center decentralized” set up the decentralized should be made accordingly.

Advantages of Decentralized procurement:

- Specialized local knowledge utilization
- Better stakeholder management
- Time efficient and quick response

Advantages of Decentralized procurement:

Less Control

A possible disadvantage of a decentralized structure is to relinquish a bit of control. It is a must to put faith in others to continue to carry out company's vision and mission.

Fragmentation

Another potential disadvantage of decentralization is that the organization may become fragmented. Units that once worked well together in the centralized structure may lose their sense of team spirit and cooperation. Decentralized units may put their own best interests first instead of those of the company as a whole.

2.5 Study on BMDF website

About

Bangladesh Municipal Development Fund (BMDF) is a company formed under the Ministry of Finance of the Government of Bangladesh in 1999. The administrative authority of BMDF is now vested with the Bank and Financial Institutions Division.

Mission

- a. Strengthen institutional and functional capacity
- b. Introduce income-generating programs for the ULBs and urbanities
- c. Provide technical and managerial assistance
- d. Improve working condition and standard of services
- e. Involve urban community in development and social activities

Description

Bangladesh Municipal Development Fund (BMDF) is a company formed under the Ministry of Finance of the Government of Bangladesh in 1999. The administrative authority of BMDF is now vested with the Bank and Financial Institutions Division created recently under the Ministry of Finance. The BMDF was registered in 2002 under the Companies Act, 1994. The BMDF is guided under the Memorandum and Articles of Associations. The Memorandum of Association defines the Primary and ancillary objectives of the Company. The primary objectives, among other are (i) to extend financial support to the City Corporations and Pourashavas (Municipalities) referred to collectively as Urban Local Government Bodies (ULBs) with a view to strengthening their institutional

and financial capacity to plan, finance, implement and operate infrastructure services; (ii) to procure, arrange, secure, receive and accept loans, aid, grants, and donations from any lawful source and to create a fund thereof and make available the same for utilization by ULBs; (iii) to provide and render financial and technical assistance and advice to ULBs seeking to develop infrastructure investment projects on a self selecting basis; (iv) to initiate and undertake appropriate training for company personnel as well as for staff of ULBs to promote greater efficiency on the part of company as well as to ensure better understanding by ULBs's staff of the company's procedures and operational requirements, particularly issues pertaining to, inter alia, lending and financial policies, eligibility criteria , and procurement. The Articles of Association are the detailed legal instruments to guide as to how the company would carry out its day to day activities. The main purpose of BMDF is to bring about qualitative improvement of urban livelihood through infrastructure development and environment improvement. The eventual target of BMDF is to assist the ULBs becoming self-sufficient and independent.

2.6 Study on Tamilnadu Urban Development Fund (TUNDF), one of the successful MDF in the World

Municipal Development Funds provide a much needed link between civic infrastructure financing needs and domestic capital markets. The urban financing challenge for Tamilnadu, given the high urbanisation trends and undersupply of civic infrastructure is self-evident.

Since 1988, Government of Tamil Nadu has been implementing the Tamil Nadu Urban Development Project (TNUDP) which was financed by International Development Agency (IDA) of World Bank, of which one of the components was the Municipal Urban Development Fund (MUDF).

The successful track record of MUDF encouraged Government of Tamil Nadu to broaden the scope of the Fund, with a view to attracting private capital into urban infrastructure and facilitate better performing ULBs to access capital markets.

TNUDF was established on November 29, 1996, as a trust under The Indian Trust Act 1882., for development of urban infrastructure in the state of Tamilnadu. TNUDF was formed by conversion of Municipal Urban Development Fund (MUDF), with contribution from Government of Tamil Nadu along with all India financial institutions viz., ICICI Bank Limited (formerly ICICI Ltd), Housing Development Finance Corporation Limited and Infrastructure Leasing and Financial Services Limited. TNUDF is the first public-private partnership providing long term debt for civic infrastructure on a non-guarantee mode. TNUDF is managed by a Corporate Trustee viz., Tamil Nadu Urban Infrastructure Trustee Company Limited (TNUITCL). The Board of Trustees periodically review the lending policies and procedures.

Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) is the Fund Manager of TNUDF.

FUND OBJECTIVES

- Fund Urban Infrastructure projects, which improve the living standards of the urban population
- Facilitate private sector participation in infrastructure through joint venture and public-private partnership
- Operate a complementary window, the Grant Fund, to assist in addressing the problems of the urban poor
- Improve the financial management of urban local bodies enabling them to access debt finance from markets

2.7 Study on BRAC website where centralized and decentralized both practice are being done

Vision

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

Mission

Mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programmes that enable men and women to realise their potential.

Our Values

- **Innovation**- BRAC has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in programme design and strive to display global leadership in groundbreaking development initiatives.
- **Integrity**- We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. We hold these to be the most essential elements of our work ethic.
- **Inclusiveness**- We are committed to engaging, supporting and recognising the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.
- **Effectiveness**- We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed programme targets, and to improve and deepen the impact of our interventions.

BRAC has a separate procurement department that manages the requisitioning of purchases for the programmes. In all aspects, it follows BRAC Procurement Guidelines and Implementation Procedures, which are transparent and has been developed in line with international procurement standards.

2.8 Study on LGED website, the government organization are involved in urban development over the three decades in a centralized way

LGED is a public sector organization under the ministry of Local Government, Rural Development & Cooperatives. The prime mandate of LGED is to plan, develop and maintain local level rural, urban and small scale water resources infrastructure throughout the country.

Mission

Development and management of local infrastructure for increasing farm/non-farm production, generating employment, improving socio-economic condition, promoting local governance, reducing poverty and acting as agent of change at the local level.

Vision

LGED would continue to remain professionally competent, efficient and effective public sector agency for performing the interrelated and complementary functions of:

Developing, maintaining and managing transport, trading and small scale water resources infrastructure at the local level by ensuring LGI and community participation and taking care of environmental and social issues.

Providing technical and institutional support to strengthen the local government institutions and serving local communities and other stakeholders.

LGED is working in the municipality level also using centralized procurement system.

2.9 Study on LGD website, the local government division is responsible for control of the activities of the municipalities LGD is the administrative division under LGRD & cooperative ministry from central government who administers and controls the municipalities in Bangladesh.

Chapter Three

Research Design

3.1 Introduction

Research methods can be classified in various ways. However, one of the most common distinctions is between qualitative and quantitative research methods. Quantitative research methods were originally developed in the natural sciences to study natural phenomena. Example of quantitative methods now well accepted in the social sciences include survey methods, laboratory experiments, formal methods (e.g. econometrics) and numerical methods such as mathematical modeling. Qualitative research methods were developed in the social sciences to enable researchers to study social and cultural phenomena. Examples of qualitative methods are action research, case study research and

Ethnography. Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher's impressions and reactions.

The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes human from the natural world, it is our ability to talk! It is argued that the goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified. Although most researchers do either quantitative or qualitative research work, some researchers have suggested combining of one or more research methods in the one study – which can be termed as triangulation. As well as the qualitative/quantitative distinction, there are other distinctions which are commonly made. Research methods have variously been classified as objective versus subjective, as being concerned with the discovery of general laws(nomothetic) versus being concerned with the uniqueness of each particular situation (idiographic), as aimed at prediction and control versus aimed at explanation and understanding, as taking an outsider (etic) versus taking an insider (emic) perspective, and so on.

3.2 Choice of research method

The choice of research method grows out of and is matched to the aims and focus of the research project. If a research project is set to measure a wide range of phenomena, patterns or behavior, the appropriate method is quantitative; while if it is set to explore and investigate in depth a phenomenon, behavior or area, the appropriate research method is qualitative. Qualitative research involves the collection and interpretation of data that are not easily reduced to numbers. Quantitative research on the contrary concerns data that can be

reduced to and expressed in numbers. Qualitative research is suited to exploratory projects, is concerned with individualized experiences and gives priority to depth of investigation, while quantitative research is suited to measuring phenomena, is interested in noting frequencies or distribution of patterns and gives priority to breadth of investigation. The choice between methods is thus determined by a discovery versus measurement distinction in the aim of the research projects and a depth versus breadth selection in their priorities, for qualitative and quantitative research respectively.

The aim of this research project is to find out the level of efficiency of decentralized procurement being practised by the municipalities under BMDF financing i.e. to measure the degree of efficiency on procurement process in terms of time whether it has been conducted in the stipulated time in every stages of procurement and to find out the degree or percentage of compliance on applicable procurement procedures/rules during decentralized procurement activities done by the municipalities under BMDF financing. So this research is exploratory. No such research has been conducted before. So relevant problems, answers and theory have not been identified and conceptualized yet. So it is obvious that the approach more likely to provide data from the progress report of BMDF where data analysis takes priority over breadth and measurement. Thus quantitative research seems most appropriate method.

3.3 Choice of Method of data collection

As the researcher was a core officer of BMDF, he has an access of data available in BMDF can be considered as primary data. So research questions for data collection were not necessary. Interview was taken for opinion from the relevant experts worked in BMDF as Chief Executive Officer/Managing Director and worked as Consultant for Procurement Management and some Municipal mayors and Engineers.

3.4 Types of Interview

There is the unstructured or non-standardised interview where the investigator's role is kept to the minimum, no specific questions are asked and the free flow of respondent's narration of his experiences or ideas is encouraged to the full. In these interviews, the technique and use of which is associated with psychotherapy, the respondent is given full initiative but the findings may vary greatly and not lend themselves to comparison.

3.5 Size and Collection of Sample

As mentioned in the chapter one, BMDF so far funded to 114 numbers of municipalities where some municipalities got fund two or three times. Those 114 municipalities had a wide geographical spread and almost all over the country. Besides, there were four category of municipality such as City Corporation, Class-A Pourashava, Class-B Pourashava and Class-C Pourashava. Based on available data in BMDF, location of municipality, type of municipality, 2 City Corporations and 8 Municipality, in total 10 numbers of ULBs are taken as sample size.

City Corporations are:

1. Rajshahi City Corporation(RCC)
2. Barisal city Corporation (BCC)

Pourashavas are:

1. Dohar Pourashava, Dhaka division
2. Chandpur Pourashava, Chittagong division
3. Laksam Pourashava, Chittagong division
4. Bholā Pourashava, Barisal division
5. MoulavibazarPourashava, Sylhet division
6. Rangamati Pourashava, Chittagong division
7. Pabna Pourashava, Rajshahi division
8. Madhabdi Pourashava, Dhaka division

3.6 Design of the Interview questions

Open-ended questions were asked to the respondents for their opinion which one is preferred, centralized or decentralized providing no restrictions on the content or manner of the reply. Open-ended questions are best suited at exploring an area, discovering phenomena and their explanations.

Chapter Four

Data Presentation

4.1 Introduction

This chapter represents an analysis of the data collected from primary source i.e. different office files of BMDF.

4.2 Invitation For Bid (in the year 2012) related information has been collected and depicted the table below as **1st** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the World Bank (WB):

SI No.	Name of ULB	Contract Package Number	Estimated cost (Mill -Tk)	Type of Review	Advertisement of Bid opportunities in Newspaper		Advertisement of Bid opportunities in CPTU's	Bids following GoB procurement Rules	Bid following Development Partner Rules
					IFB Publication	Name of Newspapers			

							website		
1	Barisal City Corporation	W-AF140	20.11	Post	16.01.2012	The Daily Inqalab, The Daily Independent	Yes	Only Bidding time	Yes
2	Dohar	W-AF156	19.91	Yes	14.01.2012	The Daily KalerKantho, The Daily Independent	Yes	Only Bidding time	Yes
3	Chandpur	W-AF143	18.91	Post	15.01.2012	The Daily BhorerKagoj, The Daily New Nation	Yes	Only Bidding time	Yes
4	Laksam	W-AF152	9.82	Post	14.01.2012	The Daily News Today, The Daily Amar Desh	No	Only Bidding time	Yes
5	Rangamati	W-AF146	19.86	Post	17.01.2012	The Daily New Nation, The Daily Sangbad	Yes	Only Bidding time	Yes
6	Moulvibazar	W-AF155	16.64	Post	17.01.2012, 18.01.2012	The Daily Manobzanub, The Daily New Nation	Yes	Only Bidding time	Yes
7	Madhabdi	W-AF145	19.27	Post	13.01.2012, 15.01.2012	The Daily Khabar, The Daily New Nation	No	Only Bidding time	Yes
8	Bhola	W-AF151	26.02	Post	13.01.2012	The Daily Independent, The Daily Sangbad	Yes	Only Bidding time	Yes
9	Rajshahi City Corporation	W-AF147	23.10	Post	11.01.2012	The Daily Inqalab, The Daily	No	Only Bidding time	Yes

	n					Financial Express, The Daily Sunshine			
10	Pabna	W-AF018	32.65	Prior	04.03.2011	The Daily Financial Express, The Daily New Age, The Bangla Bazar Potrika	Yes	Only Bidding time	Yes
Total	10	10				10	7	10	10
Total in Percentage						100.00%	70.00%	100.00%	100.00%

The above table shows that all (10) the randomly selected Urban Local Bodies (ULBs) complied 100% in publications of tenders in the National Dailies. They were supposed to publish at least one Bangla and one English well circulated Daily Newspapers. They have done it. But two ULBs published their tenders in comparatively less circulated National Dailies. Out of 10, 7 ULBs took initiatives to publish their tenders/bids in the website of Central procurement and Technical Unit (CPTU) i.e. 30% failed in compliance to do that. All the ULBs follow the Government of Bangladesh (GoB) procurement rules in 100% in preparation of Information for Bids (IFB) in terms of bidding time i.e. minimum 21 days allowed for submission of tenders/bids by the interested bidders. They complied other clauses as per World Bank procurement guidelines according to provisions set by the World Bank local office. In this regard they showed 100% compliance and efficiency.

4.3 Bid Submission (in the year 2012) related information has been collected and depicted the table below **2nd** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package	Multiple locations submission Bids	Bid preparation time in open Bidding method	Bid time compliance	Sale of Bid documents	Bidder Participation	Bidder Participation

		e Numbe r	Multiple/S ingle	% of multiple	IFB publication date	Bid Openi ng date	Days taken for Biddi ng/Re- biddi ng	Averag e (days)				Index
1	Barisal City Corporatio n	W- AF140	Single		16-Jan-12	8-Feb- 12	23		Ye s	5	5	1.00
2	Dohar	W- AF156	Single		14-Jan-12	7-Feb- 12	24		Ye s	3	3	1
3	Chandpur	W- AF143	Single		15-Jan-12	8-Feb- 12	24		Ye s	8	5	0.63
4	Laksam	W- AF152	Single		14-Jan-12	8-Feb- 12	25		Ye s	6	4	0.67
5	Rangamati	W- AF146	Single		17-Jan-12	9-Feb- 12	23		Ye s	4	3	0.75
6	Moulvibaz ar	W- AF155	Single		18-Jan-12	8-Feb- 12	21		Ye s	13	11	0.85
7	Madhabdi	W- AF145	Single		15-Jan-12	7-Feb- 12	23		Ye s	21	3	0.14
8	Bhola	W- AF151	Single		13-Jan-12	7-Feb- 12	25		Ye s	5	5	1
9	Rajshahi City Corporatio n	W- AF147	Single		11-Jan-12	1-Feb- 12	21		Ye s	9	2	0.22
10	Pabna	W- AF018	Single		4-Mar-11	28- Mar- 11	24		Ye s	6	4	0.67
Tot al	10	10		0.00%				23	10 0.0 0	8	5	0.56

7	Madhabdi	W-AF145	19.27	Post	7	Yes	8	Yes	3
8	Bhola	W-AF151	26.02	Post	4	Yes	6	Yes	3
9	Rajshahi City Corporation	W-AF147	23.10	Post	4	Yes	7	Yes	2
10	Pabna	W-AF018	32.65	Prior	4	Yes	7	Yes	3
Total	10	10				100.00%		100.00%	100.00%

The above table shows that all the ULBs complied 100% in following the rules to form bid opening committee by including at least one member from Bid Evaluation Committee (BEC). Besides, they also formed BEC consisted of at least total 5 members of which at least two external members from other agencies with the approval of Contract Approval Authority i.e. concerned Mayor. Nobody failed to do that.

4.5 Bid Evaluation(in the year 2012) related information has been collected and depicted the table below as **4th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Bid evaluation time (days) [from opening to BER received date by BMDF)	*Compliance of Bid evaluation time	Bid Acceptance (Responsive bids)	Re-Bidding	Bid Cancellation
1	Barisal City Corporation	W-AF140	20.11	Post	18	Yes	5	No	No
3	Dohar	W-AF156	19.91	Yes	9	Yes	2	No	No
5	Chandpur	W-AF143	18.91	Post	18	Yes	1	No	No
6	Laksam	W-AF152	9.82	Post	16	Yes	2	No	No
7	Rangamati	W-AF146	19.86	Post	13	Yes	2	No	No
9	Moulvibazar	W-AF155	16.64	Post	21	Yes	1	No	No
11	Madhabdi	W-AF145	19.27	Post	8	Yes	3	No	No

12	Bhola	W- AF151	26.02	Post	13	Yes	5	No	No
13	Rajshahi City Corporation	W- AF147	23.10	Post	12	Yes	2	No	No
17	Pabna	W- AF018	32.65	Prior	20	Yes	2	No	No
Total	10	10			15	100.00%	3	0.00%	0.00%

*** As per PPR 2008, Bid Evaluation time allowed for TEC is 3 weeks/21 days**

The above table shows that all (10) ULBs for respective packages they complied 100% in taking time for bid evaluation. They completed evaluation within 21 days stipulated by PPR. Even two ULBs, Mahabdi and Dohar completed evaluation of bids within 10 days which showed their good performance. Average 15 days were taken for that job. Number of bid acceptance or responsiveness is not good. On an average it was only 3 (minimum 1 and maximum 5) which reflected that it was not perfect competition. Within selected 10 packages, no re-bidding cases was occurred. Even no bid cancellation event was happened which showed that no substantial irregularities observed during that period.

4.6 Bid Evaluation Report (BER) approval(in the year 2012) related information has been collected and depicted the table below as **5th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Recommended Bid price (Mill- Tk)	Bid Evaluation Approval time			Compliance of financial delegation	Submission of evaluation report directly to contract approving authority	Case of contract award decision made within timeline by contract approving authority	Case of BER reviewed by person/committee other than contract approving authority	Higher tier approval
						Date of submission of BER	Date of contract approval	days taken betn submission of BER and approval of contract					

1	Barisal City Corporation	W-AF140	20.11	Post	20.10	26-Feb-12	29-Feb-12	3	Yes	yes	Yes	Yes	N/A
2	Dohar	W-AF156	19.91	Post	21.77	16-Feb-12	7-Mar-12	20	Yes	yes	Yes	Yes	N/A
3	Chandpur	W-AF143	18.91	Post	18.81	26-Feb-12	22-Mar-12	25	Yes	yes	Yes	Yes	N/A
4	Laksam	W-AF152	9.82	Post	10.22	24-Feb-12	7-Apr-12	43	Yes	yes	Yes	Yes	N/A
5	Rangamati	W-AF146	19.86	Post	22.74	22-Feb-12	28-Feb-12	6	Yes	yes	Yes	Yes	N/A
6	Moulvibazar	W-AF155	16.64	Post	16.95	29-Feb-12	15-Apr-12	46	Yes	yes	Yes	Yes	N/A
7	Madhabdi	W-AF145	19.27	Post	22.89	15-Feb-12	11-Mar-12	25	Yes	yes	Yes	Yes	N/A
8	Bhola	W-AF151	26.02	Post	29.61	20-Feb-12	5-Mar-12	14	Yes	yes	Yes	Yes	N/A
9	Rajshahi City Corporation	W-AF147	23.10	Post	25.41	13-Feb-12	27-Feb-12	14	Yes	yes	Yes	Yes	N/A
10	Pabna	W-AF018	32.65	Prior	34.31	28-Apr-11	28-Jun-11	61	Yes	yes	Yes	Yes	N/A
Total	10	10						26	100.00%	100.00%	100.00%	100.00%	N/A

The above table shows that all (10) ULBs ensured financial delegation for approval of Bid Evaluation Report (BER). They all submitted BER directly to contract approval authority. Contract award decision was made by contract approving authority in 100% cases. For all the cases BERs were reviewed by BMDF and/World Bank i.e. other than contract approving authority.

4.7 Contract Award(in the year 2012) related information has been collected and depicted the table below as **6th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Date of NOL of BER	Time taken from final approval to issuance of NOA to Bidder	Bid Opening Date	Letter of Acceptance (LOA)	No. of days taken from Bid opening to NOA/LOA	IFB publication Date	No. of days taken from IFB publication to NOA	Case of contract awards published in CPTU's website	Contract awarded within initial bid validity period
1	Barisal City Corporation	W-AF140	27-Feb-12	1	8-Feb-12	28-Feb-12	20	16-Jan-12	43	No	Yes
2	Dohar	W-AF156	22-Feb-12	3	7-Feb-12	25-Feb-12	18	14-Jan-12	42	No	Yes
3	Chandpur	W-AF143	29-Feb-12	3	8-Feb-12	3-Mar-12	24	15-Jan-12	48	No	Yes
4	Laksam	W-AF152	28-Feb-12	5	8-Feb-12	4-Mar-12	25	14-Jan-12	50	No	Yes
5	Rangamati	W-AF146	23-Feb-12	3	9-Feb-12	26-Feb-12	17	17-Jan-12	40	No	Yes
6	Moulvibazar	W-AF155	8-Feb-12	55	8-Feb-12	3-Apr-12	55	18-Jan-12	76	No	Yes
7	Madhabdi	W-AF145	27-Feb-12	2	7-Feb-12	29-Feb-12	22	15-Jan-12	45	No	Yes
8	Bhola	W-AF151	28-Feb-12	2	7-Feb-12	1-Mar-12	23	13-Jan-12	48	No	Yes
9	Rajshahi City Corporation	W-AF147	19-Feb-12	1	1-Feb-12	20-Feb-12	19	11-Jan-12	40	No	Yes
10	Pabna	W-AF018	31-May-12	2	12-Apr-12	2-Jun-12	51	4-Mar-12	90	No	Yes
Total	10	10		8			27		52	0%	100%

The above table shows that 8 days (avg.) were taken from bid evaluation report approval to issuing of NoA. On an average 27 days were taken from bid opening to Notification of Award (NoA) which was reasonable time. 52 days (avg) was taken from Invitation to Bid (IFB) to NoA which was also reasonable. Only Pabna ULB took abnormal time (90 days). The reason was found through inquiry to respective ULB that Mayor was not present in the office for long time due to insecurity for political instability. All the ULBs failed to publish IFB notice in CPTU website. The ULBs told me that they had sent that notice to CPTU office in Dhaka through post office.

Either CPTU did not receive those notices in time or they had negligence to publish it. Contracts were awarded within bid validity period in 100% cases.

4.8 Delivery/Completion(in the year 2012) related information has been collected and depicted the table below as **7th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

SI No.	Name of ULB	Contract Package Number	Work commencement date	Schedule completion date (Revised)	Work Completion days	Contract completed within the original schedule	Contract having Liquidated damage imposed for delayed completion	Contracts fully completed and accepted
1	Moulvibazar	W-AF155	15-Apr-11	24-Jun-12	436	No	No	Yes
2	Madhabdi	W-AF145	23-Nov-11	15-Jun-12	205	No	No	Yes
3	Dohar	W-AF156	25-Nov-11	22-Jun-12	210	No	No	Yes

4	Bhola	W- AF151	5-Mar-12	24-Jun-12	111	Yes	No	Yes
5	Rajshahi City Corporation	W- AF147	27-Feb-12	24-Jun-12	118	Yes	No	Yes
6	Pabna	W- AF018	6-Jul-11	24-Jun-12	354	No	No	Yes
7	Barisal City Corporation	W- AF140	5-Mar-12	15-Jun-12	102	Yes	No	Yes
8	Rangamati	W- AF146	28-Feb-11	24-Jun-12	482	No	No	Yes
9	Chandpur	W- AF143	24-Mar-12	24-Jun-12	92	Yes	No	Yes
10	Laksam	W- AF152	7-Mar-11	24-Jun-12	475	No	No	Yes
Tota 1	10	10				40.00%	0.00%	100.00%

The above table shows that contract completed within schedule time was only 40% cases which showed poor performance. It was investigated to find out reasons for delay in contract completion/implementation of work by the contractors. The reasons were political instability, wet seasons and in one case (Laksam ULB) negligence was done by the contractor due to abrupt increase in construction material. For the above 9 cases, contractors were not in fault, so imposition of Liquidity Damage (LD) was not applicable to them. But the Laksam case it was legally applicable to impose LD. The ULB failed to do that. However finally all the contracts were completed by the contractors and accepted by the ULBs.

4.9 Payment (in the year 2012) related information has been collected and depicted the table below as **8th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	No. of days taken to release payment					Cases with delayed payment	Cases of Interest paid for delayed payment
			1st R/A	2nd R/A	3rd R/A	4th R/A	Final		

1	Chandpur	W-AF143	9	8	10	9	15			
2	Pabna	W-AF018	10	5	12	5	20			
3	Bhola	W-AF151	5	6	5	10	15			
4	Rajshahi City Corporation	W-AF147	14	7	11	7	25			
5	Moulvibazar	W-AF155	10	8	8	8	10			
6	Rangamati	W-AF146	6	7	2	5	12			
7	Barisal City Corporation	W-AF140	5	3	7	7	8			
8	Madhabdi	W-AF145	8	5	3	5	25			
9	Laksam	W-AF152	16	8	6	8	30			
10	Dohar	W-AF156	6	10	4	9	15			
Total	10	10	9	7	7	7	18	9	0.00%	N/A

The above table shows that on an average 9 days were taken for release of payment of bills to the contractors by the bill approval authority. The time spent for release of payment was reasonable. So no cases with delayed payment were found. As a result cases of interest paid was not applicable.

4.10 Complaints(in the year 2012) related information has been collected and depicted the table below as **9th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl. No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Bid procedure with complaints	Complaints resulting in modification of award	Cases complaints resolved	Cases review panel's decision upheld
1	Barisal City Corporation	W-AF140	20.11	Post	No	N/A	N/A	N/A
2	Dohar	W-AF156	19.91	Prior	No	N/A	N/A	N/A
3	Chandpur	W-AF143	18.91	Post	No	N/A	N/A	N/A
4	Laksam	W-AF152	9.82	Post	No	N/A	N/A	N/A

5	Rangamati	W-AF146	19.86	Post	No	N/A	N/A	N/A
6	Moulvibazar	W-AF155	16.64	Post	No	N/A	N/A	N/A
7	Madhabdi	W-AF145	19.27	Post	No	N/A	N/A	N/A
8	Bhola	W-AF151	26.02	Post	No	N/A	N/A	N/A
9	Rajshahi City Corporation	W-AF147	23.10	Post	No	N/A	N/A	N/A
10	Pabna	W-AF018	32.65	Prior	No	N/A	N/A	N/A
Total	10	10			0.00%	N/A	N/A	N/A

The above table shows that no complaints for bid procedure were found. So complaints resulting in modification of award was not applicable. Cases complaints resolved and cases review panel's decision upheld were also not applicable for particularly those sample packages.

4.11 Contract amendments(in the year 2012) related information has been collected and depicted the table below as **10th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Approved Contract Cost (Mill-Tk)	Cases of Contract Amendment/variation
1	Barisal City Corporation	W-AF140	20.11	Post	20.10	No
2	Dohar	W-AF156	19.91	Post	21.77	No
3	Chandpur	W-AF143	18.91	Post	18.81	No
4	Laksam	W-AF152	9.82	Post	10.22	No
5	Rangamati	W-AF146	19.86	Post	22.74	No
6	Moulvibazar	W-AF155	16.64	Post	16.95	No
7	Madhabdi	W-AF145	19.27	Post	22.89	No

8	Bhola	W-AF151	26.02	Post	29.61	No
9	Rajshahi City Corporation	W-AF147	23.10	Post	25.41	No
10	Pabna	W-AF018	32.65	Prior	34.31	No
Total	10	10				0.00%

The above table shows that no cases of contract amendment/variation were found within selected packages in the year of 2012. That means works under the above 10 packages had been done as per the original contract.

4.12 Contract dispute resolution(in the year 2012) related information has been collected and depicted the table below as **11th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Approved Contract Cost (Mill-Tk)	Contracts with unresolved Disputes
1	Barisal City Corporation	W-AF140	20.11	Post	20.10	N/A
2	Dohar	W-AF156	19.91	Yes	21.77	N/A
3	Chandpur	W-AF143	18.91	Post	18.81	N/A
4	Laksam	W-AF152	9.82	Post	10.22	N/A
5	Rangamati	W-AF146	19.86	Post	22.74	N/A
6	Moulvibazar	W-AF155	16.64	Post	16.95	N/A
7	Madhabdi	W-AF145	19.27	Post	22.89	N/A
8	Bhola	W-AF151	26.02	Post	29.61	N/A
9	Rajshahi	W-AF147	23.10	Post	25.41	N/A

	City Corporation					
10	Pabna	W-AF018	32.65	Prior	34.31	N/A
	10	10				0.00%

The above table shows that no cases were found as contract with unresolved disputes as there was no disputes were arisen within these selected packages in the year of 2012.

4.13 Fraud & Corruption (F&C) (in the year 2012) related information has been collected and depicted the table below as **12th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	F&C detected	Type of F&C
1	Barisal City Corporation	W-AF140	No	
2	Dohar	W-AF156	Yes	Collusive
3	Chandpur	W-AF143	No	
4	Laksam	W-AF152	No	
5	Rangamati	W-AF146	No	
6	Moulvibazar	W-AF155	No	
7	Madhabdi	W-AF145	No	
8	Bhola	W-AF151	No	
9	Rajshahi City Corporation	W-AF147	No	
10	Pabna	W-AF018	No	
Total	10	10	10.00%	

The above table shows that out of 10, in 1 case, fraud and corruption (F & C) issue was detected which was collusive practice done by the interested bidders in Dohar ULB i.e. 10% F & C detected.

4.14 Procurement Management Capacity(in the year 2012) related information has been collected and depicted the table below as **13th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Procurement training		
			Number of trained procurement staff in each procuring entity	Procuring entity which has at least ONE trained/certified procurement staff	Total number of procurement persons in the organization with procurement training
1	Barisal City Corporation	W-AF140	2	Yes	2
2	Dohar	W-AF156	1	Yes	1
3	Chandpur	W-AF143	1	Yes	1
4	Laksam	W-AF152	1	Yes	1
5	Rangamati	W-AF146	2	Yes	2

6	Moulvibazar	W- AF155	1	Yes	1
7	Madhabdi	W- AF145	1	Yes	1
8	Bhola	W- AF151	1	Yes	1
9	Rajshahi City Corporation	W- AF147	1	Yes	1
10	Pabna	W- AF018	1	Yes	1
Total	10	10	1	100.00%	12

The above table shows that Barisal City Corporation and Rangamati Municipality have two trained procurement staff whereas others have one. It means that 100% procuring entity had at least one trained procurement staff. Total number of procurement staff in 10 selected ULBs is 12.

4.15 Invitation For Bid (in the year of 2008) related information has been collected and depicted the table below as **1st** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Advertisement of Bid opportunities in newspaper		Advertisement of Bid opportunities in CPTU's website	Bids following GoB procurement Rules	Bid following Development Partner Rules
					IFB Publication	Name of Newspapers			
1	Debidwar	W - 345	9.19	Prior	25-Jan-08	The Daily Star, ProthomAlo	N/A	Only Bidding time	Yes
2	B. Baria	W - 730	9.33	Prior	3-Jan-08	The Independent, The Daily ManabZamin	N/A	Only Bidding time	Yes
3	Kotchandpur	W - 228	9.56	Prior	01/05/08, 01/06/08	The Independent, ProthomAlo	N/A	Only Bidding time	Yes
4	Hajiganj	W - 434	11.94	Prior	3/16/08, 03/12/08	The Daily Star, TheIttefaq	Yes	Only Bidding time	Yes
5	Setabganj	W - 358	10.61	Prior	04/03/08, 04/04/08	The Bangladesh Observer, The Daily Inquilab	Yes	Only Bidding time	Yes
6	Gaibandha	W - 147	7.42	Prior	27-Dec-07	ProthomAlo, The Daily	N/A	Only Bidding	Yes

						Star		time	
7	Joypurhat	W - 443	15.63	Prior	2-Jan-08	The Independent, The Daily Dinkal	Yes	Only Bidding time	Yes
8	Kalapara	W - 231	10.37	Prior	01/19/08, 01/20/08	The Daily Ittefaq, The Bangladesh Observer	N/A	Only Bidding time	Yes
9	Mirsarai	W - 435	12.97	Prior	11/04/07, 11/06/07	The Bangladesh Observer, The Daily Amar Desh	Yes	Only Bidding time	Yes
10	Tangail	W - 403	34.78	Prior	25-Nov-07	The Bangladesh Observer, The Daily Janakantha	Yes	Only Bidding time	Yes
Total	10	10	6.00			10	5	10	10
Total in Percentage						100.00%	83.33%	100.00%	100.00%

The above table shows that all (10) the randomly selected Urban Local Bodies (ULBs) complied 100% in publications of tenders in the National Dailies. They were supposed to publish at least one Bangla and one English well circulated Daily Newspapers. They had done it properly. Out of 10, 5 ULBs took initiatives to publish their tenders/bids in the website of Central procurement and Technical Unit (CPTU) and it was not applicable for other 5 ULBs to publish their IFBs to the CPTU's website as estimated cost was below ceiling. All the ULBs follow the Government of Bangladesh (GoB) procurement rules in 100% in preparation of Information for Bids (IFB) in terms of bidding time i.e. minimum 21 days allowed for submission of tenders/bids by the interested bidders. They complied other clauses as per World Bank procurement guidelines according to provisions set by the World Bank local office. In this regard they showed 100% compliance and efficiency.

4.16 **Bid Submission (in the year of 2008)** related information has been collected and depicted the table below as **2nd** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Multiple locations submission Bids		Bid preparation time in open Bidding method				Bid time compliance	Sale of Bid documents	Bidder Participation	Bidder Participation Index	Remarks
			*Multiple/Single	% of *multiple (after prohibition)	IFB publication date	Bid Opening date	Days taken for Bidding/Re-bidding	Average (days)					
1	Debidwar	W - 345	Multiple		25-Jan-08	18-Feb-08	24		Yes	4	3	0.75	
2	B. Baria	W - 730	Multiple		3-Jan-08	28-Jan-08	25		Yes	36	19	0.53	
3	Kotchandp	W - 228	Multiple		6-Jan-08	29-Jan-08	23		Yes	9	4	0.44	

	ur												
4	Hajiganj	W - 434	Multiple		16-Mar-08	31-Mar-08	15		Yes	3	2	0.67	Re-bidding
5	Setabganj	W - 358	Multiple		4-Apr-08	21-Apr-08	17		Yes	10	5	0.50	Re-bidding
6	Gaibandha	W - 147	Multiple		27-Dec-07	21-Jan-08	25		Yes	11	3	0.27	
7	Joypurhat	W - 443	Multiple		2-Jan-08	28-Jan-08	26		Yes	2	1	0.50	
8	Kalapara	W - 231	Multiple		20-Jan-08	12-Feb-08	23		Yes	13	10	0.77	
9	Mirsarai	W - 435	Multiple		6-Nov-07	27-Nov-07	21		Yes	3	3	1.00	
10	Tangail	W - 403	Multiple		25-Nov-07	18-Dec-07	23		Yes	1	1	1.00	
Total	10	10		0.00%				22	100.00%	9	5	0.56	

The above table shows that all the ULBs complied 100% in following the rules to avoid multiple locations in submission bids. The World Bank was very strict on that. Nobody failed to comply this provision. They allowed 22 days in average to the bidders in preparation and submission of tenders whereas they are supposed to allow minimum 21 days i.e. bid time compliance was 100%. Sale of tender documents ranges from 1 to 36. On an average it was 9 numbers where bidder participation in submission of tenders was 5 which was not too optimistic as bidder's participation index shows only 0.56 i.e. rate of tender submission was 56%. It might be one of the indication of syndication or collusive practice.

4.17 Bid Opening Committee (BOC) and Bid Evaluation Committee (BEC) (in the year of 2008) related information has been collected and depicted the table below as 3rd indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Bid Opening Committee formation		Bid Evaluation Committee formation		External member in BEC
					Total members (Nos)	At least one Member from BEC	Total members (Nos)	Cases BEC formed by contract approving authority	
1	Debidwar	W - 345	9.19	Prior	7	Yes	7	Yes	2

2	B. Baria	W - 730	9.33	Prior	8	Yes	8	Yes	3
3	Kotchandpur	W - 228	9.56	Prior	4	Yes	8	Yes	3
4	Hajiganj	W - 434	11.94	Prior	6	Yes	7	Yes	3
5	Setabganj	W - 358	10.61	Prior	8	Yes	8	Yes	3
6	Gaibandha	W - 147	7.42	Prior	5	Yes	8	Yes	3
7	Joypurhat	W - 443	15.63	Prior	3	Yes	8	Yes	2
8	Kalapara	W - 231	10.37	Prior	4	Yes	8	Yes	3
9	Mirsarai	W - 435	12.97	Prior	6	Yes	8	Yes	3
10	Tangail	W-403	34.78	Prior	3	Yes	8	Yes	3
Total	10	10				100.00%		100.00%	100.00%

The above table shows that all the ULBs complied 100% in following the rules to form bid opening committee by including at least one member from Bid Evaluation Committee (BEC). Besides, they also formed BEC consisted of at least total 5 members of which at least two external members from other agencies with the approval of Contract Approval Authority i.e. concerned Mayor. Nobody failed to do that.

4.18 Bid Evaluation(in the year of 2008) related information has been collected and depicted the table below as **4th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Bid evaluation time (days)	*Compliance of Bid evaluation time	Bid Acceptance (Responsive bids)	Re-Bidding	Bid Cancellation	Remarks
1	Debidwar	W - 345	9.19	Prior	37	NO	3	No	No	
2	B. Baria	W - 730	9.33	Prior	21	Yes	18	No	No	
3	Kotchandpur	W - 228	9.56	Prior	20	Yes	1	No	No	
4	Hajiganj	W - 434	11.94	Prior	13	Yes	2	No	No	
5	Setabganj	W - 358	10.61	Prior	47	NO	3	No	No	
6	Gaibandha	W - 147	7.42	Prior	13	Yes	1	No	No	
7	Joypurhat	W - 443	15.63	Prior	6	Yes	1	NO	NO	
8	Kalapara	W - 231	10.37	Prior	8	Yes	6	NO	NO	
9	Mirsarai	W - 435	12.97	Prior	29	NO	3	NO	NO	
10	Tangail	W - 403	34.78	Prior	9	Yes	1	No	No	

Total	10	10		20	70.00%	4	0.00%	0.00%	
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* As per PPR 2008, Bid Evaluation time allowed for TEC is 3 weeks/21 days

The above table shows that out of 10, 7 ULBs complied 100% in taking time for bid evaluation for respective packages. They completed evaluation within 21 days stipulated by PPR. But other ULBs had taken more than 21 days (ranges from 29 to 47 days). Joypurhat, Tangail and Kalapara completed evaluation of bids within 10 days which showed their good performance. Average 20 days were taken for that job which looks good. Number of bid acceptance or responsiveness is not good. On an average it was only 4 (minimum 1 and maximum 18) which reflected that it was not perfect competition except B.Barua. Within selected 10 packages, no re-bidding cases was occurred. Even no bid cancellation event was happened which showed that no substantial irregularities observed during that period.

4.19 Bid Evaluation Report (BER) approval (in the year of 2008) related information has been collected and depicted the table below as **5th** indicator of compliance and efficiency of procurement process implemented under BMDP funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Bid Evaluation Approval time			Compliance of financial delegation	Submission of evaluation report directly to contract approving authority	Case of contract award decision made within timeline by contract approving authority	Case of BER reviewed by person/committee other than contract approving authority	Higher tier approval
			Date of submission of BER	Date of contract approval (Contract signing date)	days taken betn submission of BER and approval of contract					
1	Debidwar	W - 345	25-Mar-08	4-Jun-08	71	Yes	Yes	Yes	Yes	N/A
2	B. Barua	W - 730	18-Feb-08	16-Jun-08	119	Yes	Yes	Yes	Yes	N/A
3	Kotchandpur	W - 228	18-Feb-08	16-Mar-08	27	Yes	Yes	Yes	Yes	N/A
4	Hajiganj	W - 434	13-Apr-08	28-May-08	45	Yes	Yes	Yes	Yes	N/A
5	Setabganj	W - 358	8-Jun-08	7-Oct-08	121	Yes	Yes	Yes	Yes	N/A
6	Gaibandha	W - 147	04-Feb-08	10-Apr-08	66	Yes	Yes	Yes	Yes	N/A
7	Joypurhat	W - 443	3-Feb-08	25-Feb-08	22	Yes	Yes	Yes	Yes	N/A

8	Kalapara	W - 231	20-Feb-08	13-May-08	83	Yes	Yes	Yes	Yes	N/A
9	Mirsarai	W - 435	26-Dec-07	5-Feb-08	41	Yes	Yes	Yes	Yes	N/A
10	Tangail	W - 403	27-Dec-07	17-Feb-08	52	Yes	Yes	Yes	Yes	N/A
Total	10	10			65	100.00%	100.00%	100.00%	100.00%	N/A

The above table shows that all (10) ULBs ensured financial delegation for approval of Bid Evaluation Report (BER). They all submitted BER directly to contract approval authority. Contract award decision was made by contract approving authority in 100% cases. For all the cases BERs were reviewed by BMDF and/World Bank i.e. other than contract approving authority.

4.20 Contract Award (in the year of 2008) related information has been collected and depicted the table below as **6th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Date of NOL of BER	Time taken from final approval to issuance of NOA to Bidder	Bid Opening Date	Letter of Acceptance (LOA)	No. of days taken from Bid opening to NOA/LOA	IFB publication Date	No. of days taken from IFB publication to NOA	Case of contract awards published in CPTU's website	Contract awarded within initial bid validity period
1	Debidwar	W - 345	12-May-08	2	18-Feb-08	14-May-08	86	25-Jan-08	110	No	Yes
2	B. Baria	W - 730	1-Jun-08	1	28-Jan-08	2-Jun-08	126	3-Jan-08	151	N/A	No
3	Kotchandpur	W - 228	9-Mar-08	2	29-Jan-08	11-Mar-08	42	6-Jan-08	65	N/A	Yes
4	Hajiganj	W - 434	5-May-08	7	31-Mar-08	12-May-08	42	16-Mar-08	57	No	Yes
5	Setabganj	W - 358	11-Sep-08	4	21-Apr-08	15-Sep-08	147	4-Apr-08	164	Yes	No
6	Gaibandha	W - 147	25-Mar-08	14	21-Jan-08	8-Apr-08	78	27-Dec-07	103	No	Yes
7	Joypurhat	W - 443	19-Feb-08	0	28-Jan-08	19-Feb-08	22	2-Jan-08	48	Yes	Yes
8	Kalapara	W - 231	5-May-08	3	12-Feb-08	8-May-08	86	20-Jan-08	109	Yes	Yes
9	Mirsarai	W - 435	22-Jan-08	1	27-Nov-	23-Jan-08	57	6-Nov-	78	No	Yes

					07			07			
10	Tangail	W - 403	28-Jan-08	0	18-Dec-07	28-Jan-08	41	25-Nov-07	64	Yes	Yes
Total	10	10		3			73		95	44.44%	80.00%

The above table shows that 3 days (avg.) were taken from bid evaluation report approval to issuing of NoA. On an average 73 days were taken from bid opening to Notification of Award (NoA) which was not reasonable time. 95 days (avg) was taken from Invitation to Bid (IFB) to NoA which was also not reasonable. Debidwar, B.Baria, Setabganj, Gaibandha and Kalapara ULB took abnormal time (more than 100 days). The reason was found through inquiry to respective ULBs that Mayors and in some cases Engineers were not present in the office for long time due to insecurity for political turmoil. About 56% ULBs failed to publish IFB notice in CPTU website. The ULBs told me that they had sent that notice to CPTU office in Dhaka through post office. Either CPTU did not receive those notices in time or they had negligence to publish it. Contracts were awarded within bid validity period in 80% cases.

4.21 Delivery/Completion(in the year of 2008) related information has been collected and depicted the table below as **7th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Work commencement date	Schedule completion date	Work Completion days	Contract completed within the original schedule	Contract having Liquidated damage imposed for delayed completion	Contracts fully completed and accepted
1	Debidwar	W - 345	11-Jul-08	8-Nov-08	120	N/A	N/A	N/A
2	B. Baria	W - 730	16-Jun-08	14-Oct-08	120	N/A	N/A	N/A
3	Kotchandpur	W - 228	25-Mar-08	23-Jul-08	120	Yes	N/A	Yes
4	Hajiganj	W - 434	3-Jun-08	1-Oct-08	120	No	N/A	N/A
5	Setabganj	W - 358	7-Oct-08	4-Feb-09	120	N/A	N/A	N/A
6	Gaibandha	W - 147	10-Apr-08	8-Aug-08	120	No	N/A	No
7	Joypurhat	W - 443	25-Feb-08	24-Jun-08	120	No	N/A	No
8	Kalapara	W - 231	20-May-08	17-Sep-08	120	No	N/A	No
9	Mirsarai	W - 435	10-Feb-08	9-Jun-08	120	No	N/A	No
10	Tangail	W - 403	9-Feb-08	7-Aug-08	180	No	N/A	No
Total	10	10				10.00%	N/A	12.50%

The above table shows that contract completed within schedule time was only 10% cases which showed poor performance. It was investigated to find out reasons for delay in contract completion/implementation of work by the contractors. The reasons were political instability and interrupted by wet seasons. For all the above cases, contractors were not in fault, so imposition of Liquidity Damage (LD) was not applicable to them. However finally about 13% contracts were completed by the contractors and accepted by the ULBs within the stipulated time.

4.22 Payment (in the year of 2008) related information has been collected and depicted the table below as **8th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	No. of days taken to release payment					Cases with delayed payment	Cases of Interest paid for delayed payment
			1st R/A	2nd R/A	3rd R/A	Final	Avg (days)		
1	Debidwar	W - 345	N/A	N/A	N/A	N/A		0	0
2	B. Baria	W - 730	N/A	N/A	N/A	N/A		0	0
3	Kotchandpur	W - 228	44	69	N/A	N/A		2	0
4	Hajiganj	W - 434	13	N/A	N/A	N/A		0	0
5	Setabganj	W - 358	N/A	N/A	N/A	N/A		0	0
6	Gaibandha	W - 147	N/A	N/A	N/A	N/A		0	0
7	Joypurhat	W - 443	10	11	N/A	N/A		0	0
8	Kalapara	W - 231	9	N/A	N/A	N/A		0	0
9	Mirsarai	W - 435	14	17	N/A	N/A		0	0
10	Tangail	W - 403	15	N/A	N/A	N/A		0	0
Total	10	10	13	24	N/A	N/A	9	16.67%	0.00%

The above table shows that on an average 9 days were taken for release of payment of bills to the contractors by the bill approval authority. The time spent for release of payment was reasonable. So no cases with delayed payment were found. As a result cases of interest paid was not applicable.

4.23 Complaints (in the year of 2008) related information has been collected and depicted the table below as **9th** indicator of compliance and efficiency of procurement process implemented under BMDF funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Bid procedure with complaints	Complaints resulting in modification of award	Cases complaints resolved	Cases review panel's decision upheld
1	Debidwar	W - 345	Yes	No	Yes	N/A
2	B. Baria	W - 730	Yes	No	Yes	N/A
3	Kotchandpur	W - 228	No	N/A	N/A	N/A
4	Hajiganj	W - 434	No	N/A	N/A	N/A
5	Setabganj	W - 358	NO	N/A	N/A	N/A
6	Gaibandha	W - 147	Yes	No	Yes	N/A
7	Joypurhat	W - 443	No	N/A	N/A	N/A
8	Kalapara	W - 231	No	N/A	N/A	N/A
9	Mirsarai	W - 435	No	N/A	N/A	N/A
10	Tangail	W - 403	No	N/A	N/A	N/A
Total	10	10	30.00%	0.00%	30.00%	N/A

The above table shows that 30% cases complaints for bid procedure were found and finally resolved in all cases. But complaints resulting in modification of award was not happened. Cases review panel's decision upheld were also not applicable as it was resolved within procuring entity with the advice of BMDF.

4.24 Contract amendments (in the year of 2008) related information has been collected and depicted the table below as **10th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Approved Contract Cost (Mill-Tk)	Cases of Contract Amendment/variation
1	Debidwar	W - 345	9.19	Prior	10.98	N/A
2	B. Baria	W - 730	9.33	Prior	8.41	N/A
3	Kotchandpur	W - 228	9.56	Prior	12.29	Yes
4	Hajiganj	W - 434	11.94	Prior	14.20	N/A
5	Setabganj	W - 358	10.61	Prior	12.67	N/A
6	Gaibandha	W - 147	7.42	Prior	8.22	N/A
7	Joypurhat	W - 443	15.63	Prior	15.62	N/A
8	Kalapara	W - 231	10.37	Prior	10.60	N/A
9	Mirsarai	W - 435	12.97	Prior	12.99	N/A
10	Tangail	W - 403	34.78	Prior	34.78	N/A
Total	10	10				10.00%

The above table shows that 10% cases of contract amendment/variation were found within selected packages in the year of 2008. That means under the above 10 packages, 90% cases works had been done as per the original contract.

4.25 Contract dispute resolution(in the year of 2008) related information has been collected and depicted the table below as **11th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Approved Contract Cost (Mill-Tk)	Contracts with unresolved Disputes
1	Debidwar	W - 345	9.19	Prior	10.98	No
2	B. Baria	W - 730	9.33	Prior	8.41	No
3	Kotchandpur	W - 228	9.56	Prior	12.29	No
4	Hajiganj	W - 434	11.94	Prior	14.20	No
5	Setabganj	W - 358	10.61	Prior	12.67	No
6	Gaibandha	W - 147	7.42	Prior	8.22	No
7	Joypurhat	W - 443	15.63	Prior	15.62	No
8	Kalapara	W - 231	10.37	Prior	10.60	No
9	Mirsarai	W - 435	12.97	Prior	12.99	No
10	Tangail	W - 403	34.78	Prior	34.78	No
Total	10	10				0.00%

The above table shows that no cases were found as contract with unresolved disputes as there was no disputes were arisen within these selected packages in the year of 2008.

4.26 Fraud & Corruption (F&C) (in the year of 2008) related information has been collected and depicted the table below as **12th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Fraud & Corruption Indicators

- 1 Bid Securities from same bank and consecutive numbers
- 2 Bid prices are identical or similar to other bids
- 3 Round Robin / Rotation of winning bidders by job, type of work or geographical area
- 4 Large number of bidding documents sold but only one or a few bidders respond to request for bids
- 5 Occurrence of Coercive practice

Sl No.	Name of ULB	Contract Package Number	F&C detected	Type of F&C	Remarks
1	Debidwar	W - 345	No		
2	B. Baria	W - 730	No		
3	Kotchandpur	W - 228	No		
4	Hajiganj	W - 434	No		
5	Setabganj	W - 358	No		
6	Gaibandha	W - 147	No		
7	Joypurhat	W - 443	No		
8	Kalapara	W - 231	No		
9	Mirsarai	W - 435	No		
10	Tangail	W - 403	No		
Total	10	10	0.00%		

The above table shows that out of 10, in no cases, fraud and corruption (F & C) issue was detected which i.e. 0% F & C detected.

4.27 Procurement Management Capacity (in the year of 2008) related information has been collected and depicted the table below as **13th** indicator of compliance and efficiency of procurement process implemented under BMDf funded by the WB:

Sl No.	Name of ULB	Contract Package Number	Estimated cost (Mill-Tk)	Type of Review	Approved Contract Cost (Mill-Tk)	Procurement training		
						Number of trained procurement staff in each procuring entity	Procuring entity which has at least ONE trained/certified procurement staff	Total number of procurement persons in the organization with procurement training
1	Debidwar	W - 345	9.19	Prior	10.98	1	Yes	1
2	B. Baria	W - 730	9.33	Prior	8.41	1	Yes	1
3	Kotchandpur	W - 228	9.56	Prior	12.29	1	Yes	1
4	Hajiganj	W - 434	11.94	Prior	14.20	1	Yes	1
5	Setabganj	W - 358	10.61	Prior	12.67	1	Yes	1
6	Gaibandha	W - 147	7.42	Prior	8.22	1	Yes	1
7	Joypurhat	W - 443	15.63	Prior	15.62	1	Yes	1
8	Kalapara	W - 231	10.37	Prior	10.60	1	Yes	1
9	Mirsarai	W - 435	12.97	Prior	12.99	1	Yes	1
10	Tangail	W - 403	34.78	Prior	34.78	1	Yes	1
Total	10	10				1	100.00%	10

The above table shows that each municipality has one trained procurement staff. It means that 100% procuring entity had at least one trained procurement staff. Total number of procurement staff in 10 selected ULBs is 10.

Chapter-5

Data Analysis and Findings

5.1 Introduction

This chapter represents an analysis of the data collected from primary source i.e. different office files of BMDF and provides the detailed information on the findings from the study.

5.2 Data analysis & result findings

Data presented in chapter-4 have been analyzed by identifying several process indicators and performance indicators.

5.2.1 Analytical Performance data extracted from Article 4.2-4.14 of chapter-4 (in the year 2012) are presented again in the tabular form:

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
1	Invitation for Bid	Advertisement of Bid opportunities in newspaper	1. Percentage of Invitation for Bid (IFT) published in newspaper	100.00%	Published in two daily newspapers
		Advertisement of Bid opportunities in CPTU's website	2. Percentage of Invitation for Bid (above threshold) advertised in CPTU's website	70.00%	
		Bids following GoB procurement Rules	3. Percentage of Bids following GoB procurement Rules	100.00%	Only for Bidding time
		Bid following Development Partner Rules	4. Percentage of Bids following Development Partner Rules	100.00%	
2	Bid Submission	Multiple locations submission Bids	5. Percentage of Bids allowed to submit in multiple locations	0.00%	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
		Bid preparation time in open Bidding method	6. Average number of days between publishing of advertisement and Bid submission deadline	23	Minimum bidding time-21 days
		Bid time compliance	7. Percentage of Bids having sufficient Bid submission time	100.00%	
		Sale of Bid documents	8. Average number of Bidders purchased Bid documents	8	
		Bidder Participation	9. Average number of Bidders submitted Bids	5	
		Bidder Participation Index	10. Ratio of number of Bid submission and number of Bid document sold	0.56	
		3	Bid Opening Committee (BOC) and Bid Evaluation Committee (BEC)	Bid Opening Committee formation	11. Percentage of cases BOC included at least ONE member from BEC
Bid Evaluation Committee formation	12. Percentage of cases BEC formed by Contract Approving Authority			100.00%	
External member in BEC	13. Percentage of cases BEC included TWO external members outside the procuring entity			100.00%	
4	Bid Evaluation	Bid evaluation time	14. Average number of days between Bid opening and completion of evaluation	15	
		Compliance of Bid evaluation time	15. Percentage of cases Bid evaluation has been completed within timeline	100.00%	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
		Bid Acceptance	16. Average number of responsive Bids	3	
		Re-Bidding	17. Percentage of cases BEC recommended for re-Bidding	0.00%	
		Bid Cancellation	18. Percentage of cases where Bid process cancelled	0.00%	
5	Bid Evaluation Report (BER) approval	Bid Evaluation Approval time	19. Average number of days taken between submission of Bid Evaluation and approval of contract	26	
		Compliance of financial delegation	20. Average number of Bids approved by the proper financial delegated authority	100.00%	
		Submission of evaluation report to appropriate authority	21. Percentage of cases TEC submitted report directly to the contract approving authority	100.00%	
		BER approval compliance	22. Percentage of cases contract award decision made within timeline by Contract Approving Authority	100.00%	
		Additional review of BER	23. Percentage of cases BER reviewed by person/committee other than the Contract Approving Authority	100.00%	
		Higher tier approval	24. Percentage of Bids approved by higher tier than the Contract Approving Authority	N/A	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
6	Contract Award	Time for issuance of NOA to Bidder	25. Average number of days between final approval and Notification of Award (NOA)	8	
		Bid processing lead time	26. Average number of days between Bid opening and Notification of award (NOA)	27	
		Total Bid processing time	27. Average number of days between Invitation for Bid (IFT) and Notification of Award	52	
		Publication of award information	28. Percentage of Contract awards published in CPTU's website	0.00%	
		Efficiency in Contract Award	29. Percentage of contracts awarded within initial Bid validity period	100.00%	
7	Delivery/Completion	Delivery time	30. Percentage of Contracts completed/ delivered within the original schedule as mentioned in the Contract	40.00%	
		Liquidated damage	31. Percentage of Contracts having liquidated damage imposed for delayed delivery/completion	0.00%	
		Completion rate	32. Percentage of Contracts fully completed and accepted	100.00%	
8	Payment	Payment release compliance	33. Average number of days taken to release payment	9	

SN	Indicator Category	Process Indicator	Performance Data		Remarks		
			Definition	Result			
		Late payment	34. Percentage of cases (considering each installment as a case) with delayed payment	0.00%			
		Interest paid for delayed payment	35. Percentage of Contracts where interest for delayed payments was made	N/A			
		9	Complaints	Bid procedure complaints	36. Percentage of Bid procedures with complaints	0.00%	
				Resolution of complaints with award modification	37. Percentage of complaints resulting in modification of award	N/A	
Resolution of complaints	38. Percentage of cases complaints have been resolved	N/A					
Independent Review Panel	39. Percentage of cases review panel's decision upheld	N/A					
10	Contract amendments	Contract Amendment/variation	40. Percentage of contract amendments/variations	0.00%			
11	Contract dispute resolution	Unresolved Disputes	41. Percentage of Contracts with unresolved disputes	0.00%			
12	F&C	Fraud & Corruption	42. Percentage of cases F&C detected	10.00%			
13	Procurement Management Capacity*	Procurement Training	43. Average number of trained procurement staff in each procuring entity	1			
			44. Percentage of procuring entity which has at least ONE trained/certified procurement staff	100.00%			

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
			45. Total number of procurement persons in the organization with procurement training.	12	

The above table shows that IFB publication, Bid time compliance, BEC formation Compliance in bid evaluation time and Compliance in financial delegation in BER approval was 100%. Compliance in Bid processing lead time was 80%, Compliance in total bid processing time was 70%, Efficiency in CA was 100%, Delivery Time was 40%, Payment release compliance was 75% and F & C issue involved was 10%.

5.2.2 Analytical Performance data extracted from Article 4.15-4.27 of chapter-4(in the year 2008) are presented again in the tabular form:

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
1	Invitation for Bid	Advertisement of Bid opportunities in newspaper	1. Percentage of Invitation for Bid (IFT) published in newspaper	100.00%	
		Advertisement of Bid opportunities in CPTU's website	2. Percentage of Invitation for Bid (above threshold) advertised in CPTU's website	83.33%	
		Bids following GoB procurement Rules	3. Percentage of Bids following GoB procurement Rules	100.00%	
		Bid following Development Partner Rules	4. Percentage of Bids following Development Partner Rules	100.00%	
2	Bid Submission	Multiple locations submission Bids	5. Percentage of Bids allowed to submit in multiple locations	0.00%	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
		Bid preparation time in open Bidding method	6. Average number of days between publishing of advertisement and Bid submission deadline	22	
		Bid time compliance	7. Percentage of Bids having sufficient Bid submission time	100.00%	
		Sale of Bid documents	8. Average number of Bidders purchased Bid documents	9	
		Bidder Participation	9. Average number of Bidders submitted Bids	5	
		Bidder Participation Index	10. Ratio of number of Bid submission and number of Bid document sold	0.56	
		3	Bid Opening Committee (BOC) and Bid Evaluation Committee (BEC)	Bid Opening Committee formation	11. Percentage of cases BOC included at least ONE member from BEC
Bid Evaluation Committee formation	12. Percentage of cases BEC formed by Contract Approving Authority			100.00%	
External member in BEC	13. Percentage of cases BEC included TWO external members outside the procuring entity			100.00%	
4	Bid Evaluation	Bid evaluation time	14. Average number of days between Bid opening and completion of evaluation	20	
		Compliance of Bid	15. Percentage of	70.00%	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
5		evaluation time	cases Bid evaluation has been completed within timeline		
		Bid Acceptance	16. Average number of responsive Bids	4	
		Re-Bidding	17. Percentage of cases BEC recommended for re-Bidding	0.00%	
		Bid Cancellation	18. Percentage of cases where Bid process cancelled	0.00%	
		Bid Evaluation Approval time	19. Average number of days taken between submission of Bid Evaluation and approval of contract (contract signing date)	65	
	Bid Evaluation Report (BER) approval	Compliance of financial delegation	20. Average number of Bids approved by the proper financial delegated authority	100.00%	
		Submission of evaluation report to appropriate authority	21. Percentage of cases BEC submitted report directly to the contract approving authority	100.00%	
		BER approval compliance	22. Percentage of cases contract award decision made within timeline by Contract Approving Authority	100.00%	
		Additional review of BER	23. Percentage of cases BER reviewed by person/committee other than the Contract Approving Authority	100.00%	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
		Higher tier approval	24. Percentage of Bids approved by higher tier than the Contract Approving Authority	N/A	
6	Contract Award	Time for issuance of NOA to Bidder	25. Average number of days between final approval and Notification of Award (NOA)	3	
		Bid processing lead time	26. Average number of days between Bid opening and Notification of award (NOA)	73	
		Total Bid processing time	27. Average number of days between Invitation for Bid (IFT) and Notification of Award	95	
		Publication of award information	28. Percentage of Contract awards published in CPTU's website	44.44%	
		Efficiency in Contract Award	29. Percentage of contracts awarded within initial Bid validity period	80.00%	
7	Delivery/Completion	Delivery time	30. Percentage of Contracts completed/ delivered within the original schedule as mentioned in the contract	10.00%	
		Liquidated damage	31. Percentage of Contracts having liquidated damage imposed for delayed delivery/completion	N/A	
		Completion rate	32. Percentage of Contracts fully	12.50%	

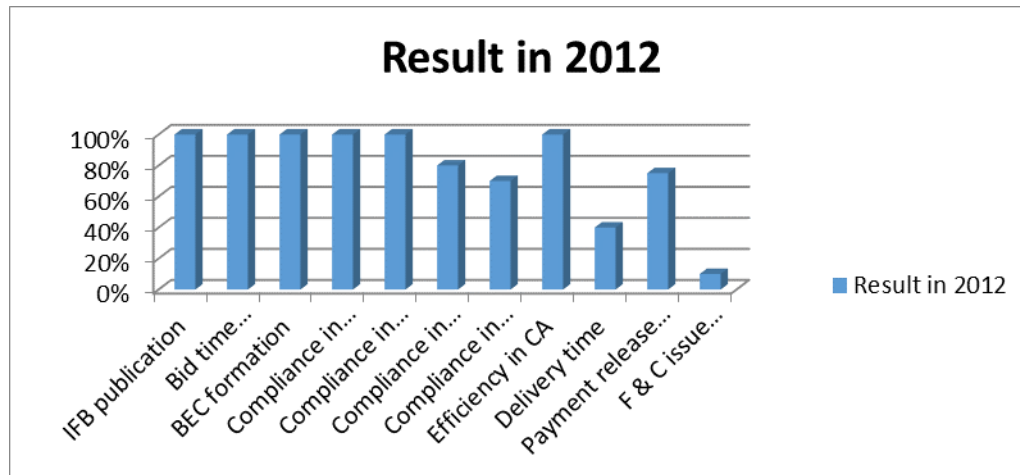
SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
			completed and accepted		
8	Payment	Payment release compliance	33. Average number of days taken to release payment	9	
		Late payment	34. Percentage of cases (considering each installment as a case) with delayed payment	16.67%	
		Interest paid for delayed payment	35. Percentage of Contracts where interest for delayed payments was made	0.00%	
9	Complaints	Bid procedure complaints	36. Percentage of Bid procedures with complaints	30.00%	
		Resolution of complaints with award modification	37. Percentage of complaints resulting in modification of award	0.00%	
		Resolution of complaints	38. Percentage of cases complaints have been resolved	30.00%	
		Independent Review Panel	39. Percentage of cases review panel's decision upheld	N/A	
10	Contract amendments	Contract Amendment/variation	40. Percentage of contract amendments/variations	10.00%	
11	Contract dispute resolution	Unresolved Disputes	41. Percentage of Contracts with unresolved disputes	0.00%	
12	F&C	Fraud & Corruption	42. Percentage of cases F&C detected	0.00%	
13	Procurement Management Capacity*	Procurement training	43. Average number of trained procurement staff in each procuring entity	1	

SN	Indicator Category	Process Indicator	Performance Data		Remarks
			Definition	Result	
			44. Percentage of procuring entity which has at least ONE trained/certified procurement staff	100.00%	
			45. Total number of procurement persons in the organization with procurement training.	10	

The above table shows that IFB publication, Bid time compliance and BEC formation were 100%. Compliance in bid evaluation time was 70%. Compliance in financial delegation in BER approval was 100%. Compliance in Bid processing lead time was 40%, Compliance in total bid processing time was 35%, Efficiency in CA was 80%, Delivery Time was 10%, Payment release compliance was 75% and F & C issue involved was 0%.

5.2.3 Summary of performance data with graphical representation on the table mentioned in Article-5.2.1

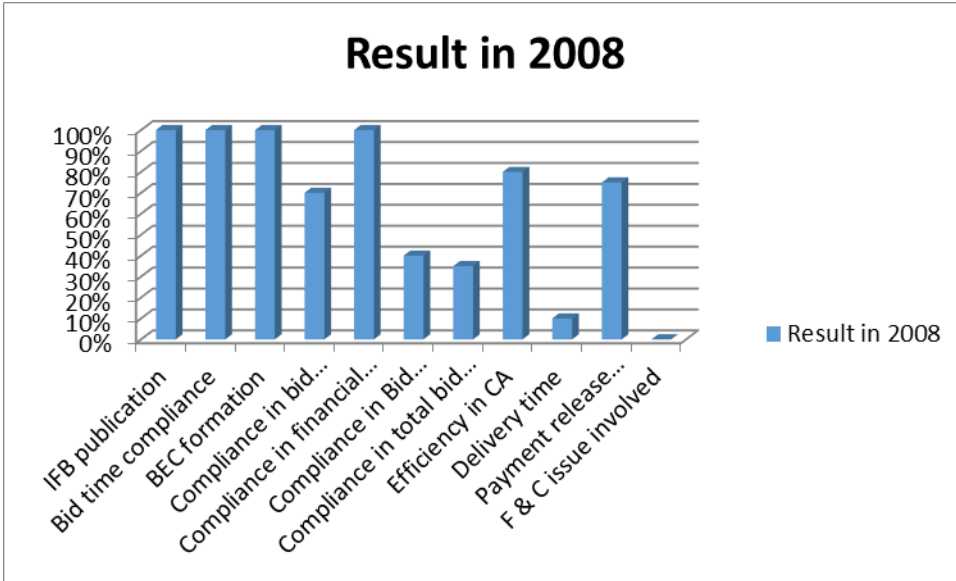
Indicators	Result in 2012
IFB publication	100%
Bid time compliance	100%
BEC formation	100%
Compliance in bid evaluation time	100%
Compliance in financial delegation in BER approval	100%
Compliance in Bid processing lead time	80%
Compliance in total bid processing time	70%
Efficiency in CA	100%
Delivery time	40%
Payment release compliance	75%
F & C issue involved	10%



The above graph shows very good performance in every indicators except poor performance in delivery time. Less F & C issue is good.

5.2.4 Summary of performance data with graphical representation on the table mentioned in Article-5.2.2

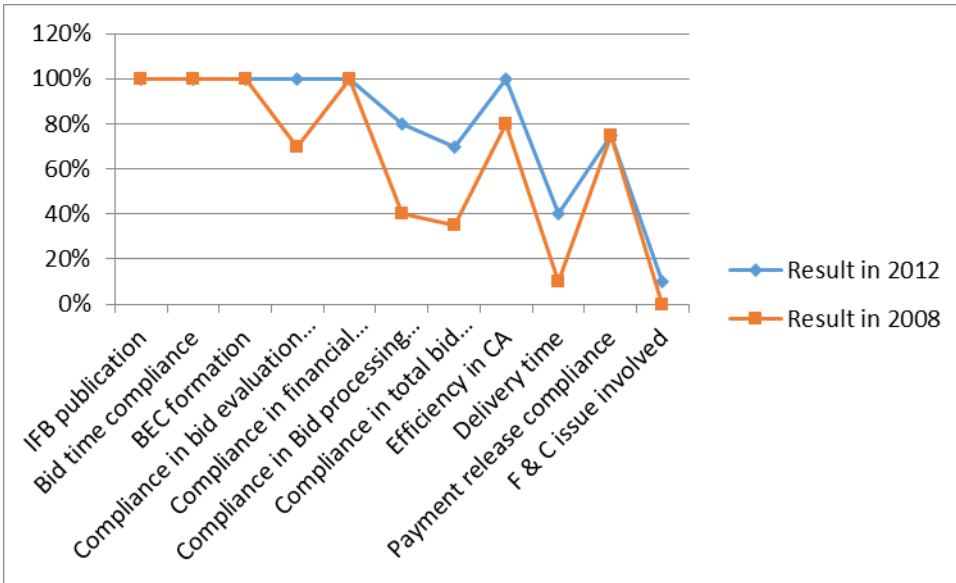
Indicators	Result in 2008
IFB publication	100%
Bid time compliance	100%
BEC formation	100%
Compliance in bid evaluation time	70%
Compliance in financial delegation in BER approval	100%
Compliance in Bid processing lead time	40%
Compliance in total bid processing time	35%
Efficiency in CA	80%
Delivery time	10%
Payment release compliance	75%
F & C issue involved	0%



The above graph shows very good performance in every indicators except poor performance in delivery time. F & C issue was zero which is good.

5.2.5 Comparison of performance in the year of 2008 and 2012:

Indicators	Result in 2012	Result in 2008
IFB publication	100%	100%
Bid time compliance	100%	100%
BEC formation	100%	100%
Compliance in bid evaluation time	100%	70%
Compliance in financial delegation in bER approval	100%	100%
Compliance in Bid processing lead time	80%	40%
Compliance in total bid processing time	70%	35%
Efficiency in CA	100%	80%
Delivery time	40%	10%
Payment release compliance	75%	75%
F & C issue involved	10%	0%



From the above comparison, it shows that rate of delivery time was increasing whereas rate of F & C issue detecting were also increasing with time from 2008 to 2012. Compliance in IFB publication, Bid time and BEC formation were constant. Other indicators such as Compliance in bid processing, compliance in bid evaluation were improving with time

5.3 Finding of the study

From the above analysis, it is found that regarding compliance in bid processing, evaluation, IFB publication, efficiency in Contract Agreement are quite good but efficiency/performance in delivery i.e. work completion within contractual period was very poor, although there were so many force majeure involved resulting poor delivery rate. Nevertheless overall, result of decentralized practice in terms of compliance and efficiency is optimistic.

Chapter-6

Conclusion and Recommendations

6.1 INTRODUCTION

Since inception of BMDF centralized procurement system in the municipality level in Bangladesh has been the single most important system in the practice of public procurement.

Government in any country is the largest buyers, so, it is evident that what and how governments buy and acquire in terms of goods, works and services contribute significantly in economy of the country and both to its ability to ensure sustainable development and to its credibility with its development partners.

Efficiency in procurement processing following applicable procurement guidelines indicates that the procurement entity i.e. local government agencies have become capable and skilled. Compliance on applicable procurement rules indicates that integrity and ethical issue achieved tremendously.

6.2 CONCLUSION

In order to find the answers of the research questions made in Chapter 1, effort has been made in this dissertation paper to me as the compliance on decentralized procurement system are in practice at municipality level in Bangladesh under BMDF financing and also to measure the efficiency of the procurement processing are in practice through decentralized procurement at municipality level in Bangladesh under BMDF financing for ensuring sustainable development.

Municipal staff/officers working in the municipalities in Bangladesh are neither high caliber people nor adequately skilled in respective fields specially procurement field. In spite of their weakness, they could perform well in project preparation (specially procurement) and implementation under close supervision of BMDF. The result found from the two years study is quite optimistic. Although in terms of rate of delivery was not good, but considering political turmoil, instability and interruption of rainy/wet season, it can be overcome when the political situation will be stable. This was the first time decentralized procurement practice done by the municipalities under BMDF monitoring and supervision. Compliance on public procurement rules of Bangladesh and World Bank procurement guidelines, so far identified or measured through different analysis in chapter-5 is better.

It is clearly found that efficiency has been significantly improved under decentralized procurement practice with compare to standard practice done in Bangladesh previously.

Besides capacity of ULB personnel including engineers, accountants and even the mayors, the public representatives in project preparation, procurement processing, project implementation, bill payment etc. have markedly enhanced. Now they can be evaluated as skilled manpower as they have proved their capacity in tendering of a large volume of works amounting Taka 20-80 million at a time with ensuring compliance of procurement rules within prescribed time.

It has also been explored that delivery rate i.e. timely implementation/execution of the schemes or sub-projects still is alarming and very poor. The reason so far identified behind this poor performance is not connected with the type of procurement system followed but it has been known that weather conditions i.e. wet weather or rainy season and political instability interrupted the works implementation. Besides acts of god and force majeure cases were also involved resulting delay in project implementation.

Overall, new approach and initiative taken by the government under BMDF for project preparation, procurement and implementation in the municipalities of Bangladesh is successful, realistic and appropriate with the time.

6.3 RECOMMENDATIONS

The decentralized procurement practice in the ULBs under BMDF can be continuing with broader aspects for ensuring sustainable development in Bangladesh.

Vis-a-Vis capacity building major program for the weaker ULBs i.e. Class-B and Class-C municipalities can be adopted for ensuring hundred percent compliance on Public Procurement Procedures and Rules and also for achieving better efficiency in procurement processing.

E-procurement with decentralized procurement in City Corporation and Class-A Pourashava/municipality can be piloted. Before that e-procurement related technical infrastructure should be installed and training program on e-procurement can be launched in order to eliminate coercive practice and for improving efficiency.

Automation for all official works in ULBs can be developed for ensuring efficiency and for eliminating bad practice. Internet facility should be adopted in each municipality.

Data related to development can be disclosed for public and key stakeholders where applicable through intranet and extranet and website for each municipality should be developed.

Close supervision from the central government should be kept up to next ten years for City Corporations and twenty years for Class-B and Class-C municipalities.

Training on ethical issue should be arranged by the BMDF both for Mayors and ULB officials.

Better Procurement Planning should be adopted for timely project implementation considering weather conditions, working season and other related factors affecting the implementation of works in the field. Procurement processing can be done in wet/rainy season (June to October) and implementation period should be selected in dry season (November to May).

A clear commitment is necessary from the very top of government and down through the ministries, authorities and chief executives in all public bodies including development partners to settle down the decentralized procurement system permanently. Many ULB procurement staff lack clear direction from the top of their organizations on the priority to be given on delivering sustainable development objectives through decentralized procurement. This should be cascaded down through setting government targets and establishing key performance indicators and progress monitoring.

The government needs to come forward to remove the barriers for gradually adopting decentralized procurement system in all the municipalities.

Finally, there is scope to further study about the sustainability issue under decentralized procurement. Till now, the concept of sustainable procurement has not been well embedded in the public procurement system in Bangladesh both for centralized and decentralized procurement system and hence, this paper gives an overall scenario of compliance and efficiency of procurement procedures for ensuring sustainable development by adopting decentralized procurement practices in the local government sector in Bangladesh. Advanced research needs to be conducted in order to get a deeper in sight in to sustainable development under decentralized procurement in relation to the public procurement in local government arena rather than spoon feeding centralized procurement.

Questionnaires with answers from the professionals & Executives

Questions	Answers					
	Former Managing Director of BMDF	Present MD of BMDF	Executive Engineer, Bhola Pourashava	Mayor, SingraPourashava	Finance Manager, BMDF	Executive Engineer, Chandpur Pourashava
What benefits can be achieved under centralized procurement in ULBs?	Less cost to be involved	More economies of scale can be ensured	Better compliance on PPR can be ensured	Wrong doing things might be less in number for better experience personnel are available	Less time consuming	Responsibility goes to central authority which is part of local empowerment
What will be the disadvantage of centralized procurement if happen in the ULBs?	Spoon feeding strategy	Expected Capacity may not be gained in LGI	Local Authority can not use their power	Movement of local officials & mayors are high in number towards HQ of BMDF	Delay in project implementation	Local bidders may be deprived
What is the benefit of decentrali	Local bidders are encouraged	Alliance to government's	Better efficiency can be ensured &	Very swift and can be amended	Timely project implementation can	Good for Municipal Engineers in terms of

Questions	Answers					
	Former Managing Director of BMDF	Present MD of BMDF	Executive Engineer, Bhola Pourashava	Mayor, SingraPourashava	Finance Manager, BMDF	Executive Engineer, Chandpur Pourashava
Decentralized procurement piloted in the ULBs?		policy on decentralization	less time consuming strategy	need easily if required	be ensured	capacity building practice
What is the disadvantage of decentralized procurement currently adopted in ULBs under BMDF	Possibility of Compliance on rules & regulation is less	Time consuming	Possibility of less number of bidder's participation	Need more training on procurement both for officials and mayors	More corruption prone or irregularities can be happened in ULBs of Bangladesh	Possibilities of wrong doing things is high
Centralized & decentralized, Which one you prefer for LGI in B'desh?	Decentralized procurement with great care	Decentralized procurement with adequate training	Decentralized procurement	Decentralized	Centralized	Decentralized
General Comments	Decentralized practice will be better only in City Corporations & Class-a Pourashavas	Can be adopted in all ULBs for greater impact or change	Trust on local authority should be increased	Decentralization is the claim of the age	Can be hybrid or mixed	Responsibility should give to local authority

Summary of the opinion of the expertise mentioned in the above table: Decentralized procurement is more appropriate with adequate training to the local people.

Reference

- 1. BMDF office files and quarterly progress report**
- 2. BMDF website**
- 3. World Bank website**
- 4. ADB website**
- 5. TNUDF website**
- 6. BMDF progress report**
- 7. Face to Face interview of BMDF officials**
- 8. Telephonic discussion with Municipal Mayors and officials**