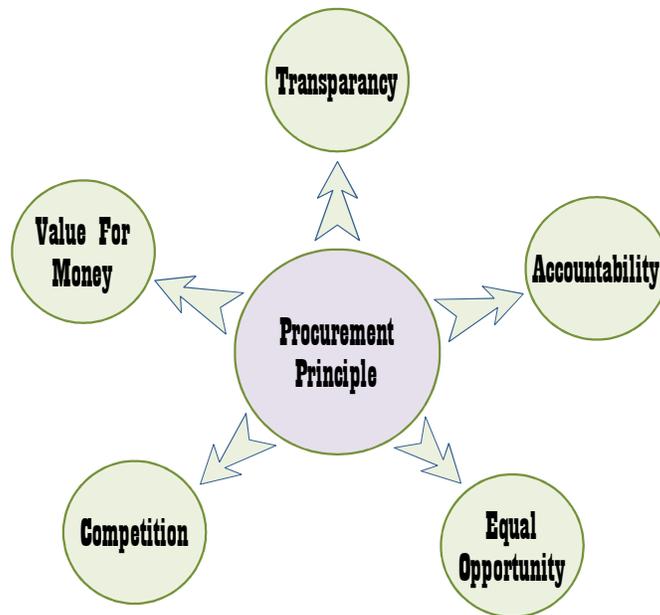


Government of the People's Republic of Bangladesh
Local Government Engineering Department
My Village – My Town Project

Report on
Study-05: Research on reviewing contract management for hilly, haor, char
areas due to time constraints and difficult construction procedure problem



April 2022

Table of Content

Acknowledgement	3
Acronyms.....	4
Executive Summary	6
Chapter 1: Introduction	8
Chapter 2: Approach & Methodology of the Study.....	12
Chapter 3: Data Analysis and Findings	14
Chapter 4: Risk Management in Procurement.....	28
Chapter 5: Methodology for the Improvement of Procurement	31
Chapter 6: Findings, Recommendations and Conclusion.....	36
Annexes.....	41

Acknowledgement

I would like to express my sincere thanks and gratitude to the Project Director of My Village – My Town project and his project team for their full-ranged cooperation without which this study wouldn't have been accomplished.

I would also thank the Executive Engineers, Upazila Engineers and other officials of the concerned study area for their excellent support by providing us the necessary data and information and overall cooperation to conduct this study.

Special thanks go to the Team Leader of the consulting firm for his outstanding cooperation and coordination at different stage of performing the task of this research study.

Last but not the least, appreciation is deserved for the Executive Engineer of the Procurement Unit of LGED HQs for his valuable time and important suggestion despite of his busy official engagement.

Acronyms

AA	: Approving Authority
ADP	: Annual Development Program
APP	: Annual Procurement Plan
CPTU	: Central Procurement Technical Unit
CSOS	: Community Service Organization Selection
DCS	: Design Contest Selection
DoFP	: Delegation of Financial Power
DPM	: Direct Procurement Method
e-GP	: Electronic Government Procurement
FBS	: Fixed Budget Selection
FCCC	: Fraudulent, Collusive, Corruption, Coercive
GoB	: Government of Bangladesh
ICS	: Individual Consultant Selection
ICT	: International Competitive Tendering
IFT	: Invitation for Tender
LCS	: Least Cost Selection
LD	: Liquidated Damage
LGED	: Local Government Engineering Project
LOI	: Letter of Intent
LTM	: Limited Tendering Method
NCT	: National Competitive Tendering
NOA	: Notification of Award
OSTETM	: One Stage Two Envelope Tendering Method
OTM	: Open Tendering Method
PE	: Procuring Entity
PEC	: Proposal Evaluation Committee
POC	: Proposal Opening Committee
PPA	: Public Procurement Act
PPR	: Public Procurement Rules
PQ	: Pre-Qualification
QBS	: Quality Based Selection
QCBS	: Quality and Cost Based Selection
REOI	: Request for Expression of Interest
RFQ	: Request for Quotation

SBCQ	:	Selection Based on Consultants Qualifications
SRFP	:	Standard Request for Proposal
SSS	:	Single Source Selection
STD	:	Standard Tender Document
TA	:	Technical Assistance
TEC	:	Tender Evaluation Committee
TOC	:	Tender Opening Committee
TSTM	:	Two Stage Tendering Method

Executive Summary

It is reported that around seventy five percent of the annual development budget of the country is spent through procurement of goods, works and services for different development activities. The annual development budget is gradually increasing from BDT 316.39 billion in 2009 to BDT 2150 billion in 2021. This figure reflects the fact that efficiency in procurement functions is vital for quality expenditure of public money.

This research study was conducted in five Upazila under four Districts covering hill and haor area for procurement review to identify the weaknesses of present procurement functions in conjunction with institutional context and also suggest methodology for overall improvement both in performance and compliance. This study is not just a procurement compliance review or audit, rather the study is more focused to strategic issues of procurement management for future performance and compliance improvement.

Study reveals that in Alkikadam and Lama Upazila under Bandarban district, a significant number of technical staffs are vacant who are the main players to manage the contract in the field level. So, the supervision of works is under threat that impact the quality of works. This is the central management issue that linked with the local procurement functions.

In Baniachnog Upazila under Hobigonj district, 92.83 percent contract is time overrun in terms of original contract duration which is significantly high. Lama, Gagonanthpur and Sariakandi have also high percentage of contracts have time overrun which are 70.58%, 69.56% and 61.53% respectively. This finding reflects the fact that either the contract duration selected originally was not in a logical basis considering the local geophysical condition or there is severe capacity lacks of the Procuring Entity or Contractors.

The quality management found documented in files. The test reports as per contract were done and preserved in the file. However, quality is an area of broad perception and it reflects the overall organizational context. To maintain quality, systematic supervision of different tiers are important. A reporting mechanism can be established to ensure quality control measures. During any important stage of works, a checklist of quality control certified by relevant technical staffs can be established that would provide clear information on quality control measures. It is suggested in Chapter 5, Methodology for the Improvement of Procurement.

In Baniachong Upazila, out of 42 tenders, 9 tendering were done in OSTETM which do not comply Rule- 68 Ka (1). They used OSTETM for low value ordinary contract.

LTM method and time overrun can have co-relation. Since in LTM, contractors don't required previous experience, so there is potential risk of proper completion of the contract. In Baniachong Upazila, 92.83% contracts have time overrun and 66% tendering was done through LTM. Similarly in Sariakandi Upazila, 61.53% contracts have time overrun and 57% tendering was done through LTM.

Procurement management and project management skills are related in a way that if they exist together then there will be synergic effect in procurement outcomes. For example, the time overrun can be addressed within the procurement compliance framework in the PPR but the lower efficiency in procurement due to delay in contract implementation results

inefficient outcomes. If we calculate resources consumption vs procurement outcomes, then more delay results more consumption of government resources with same outcomes if the delay had not been happened. There is also a huge opportunity cost both for the Procuring Entity and Contractors which are though un-calculated but it has a chain and multiplier effect with other contracts. It is well understood that, only the procurement knowledge and skill is not enough rather procurement and project management joint skill can contribute synergically to enhance the overall procurement performance.

There are many non-compliance of procurement rules in the study are which can be found in Chapter 6: Findings, Recommendations and Conclusions. The risk mitigation in procurement process has been discussed in Chapter 4.

Finally this research report will contribute to formulate any further initiatives to be undertaken by the organization for an effective and efficient procurement management system.

Chapter 1: Introduction

1.1 Background and Context

Around sixty two percent¹ people of Bangladesh live in the rural area that constitutes eighty-seven thousand villages across the country. So, the development of villages is crucial for the overall development of the country graduation to the middle-income level by 2021, achieve SDGs goals by 2030 and be a developed country by 2041 which is the vision of the present government.

To march towards the above vision, a massive development programs are being implemented by the government. The annual development budget is gradually increasing from BDT 316.39 billion in 2009 to BDT 2150 billion in 2021². Around seventy five percent of the annual development budget is spent through procurement of goods, works and consultancy services, so efficiency in procurement functions are an important area to be addressed to implement the development agenda.

Taking the villages in one of the focused area of developments, the government already entered into the activities, My Village- My Town: Extension of Modern Civic Amenities in Every Village entails the spirit of providing all modern facilities to the villages through improving roads and communications, providing pure drinking water, modern health facilities and medical services, quality education, modern sanitation facilities and waste management, increase electricity and power supply, computerizing and providing high-speed internet service, electric accessories and extend market through providing quality consumable products. The commitment of the village development of the government covers the concept of four major interrelated issues to improve the villages including, Infrastructural Development and Planning, Human Resource Development and Poverty Reduction, Agricultural Development, Climate Change and Environmental Protection and Education and Health Services.

A number of Ministries and Organizations are involved to address the above development agenda of the government. LGED is entrusted to develop a number of guidelines, feasibility studies through a TA project entitled “Technical Assistance Project for My Village- My Town” with a view to formulate My Village- My Town implementation project in a large scale. LGED engaged a consulting firm for the services of five studies where one of the studies is “Study-05: Research on reviewing contract management for hilly, haor, char areas due to time constraints and difficult construction procedure problem.”

¹ Source: BBS and World Bank website.

² Source: Ministry of Finance website.

This study is not under the purview of Rule- 45 and 46 of PPR where only non-compliance and proper utilization of public money are to be assessed, rather this is a short research by reviewing contract management having focused on strategic issues of procurement management for future performance and capacity improvement.

1.2 Objective of the Assignment

The objectives of the assignment as mentioned in the TOR of the consulting services are as below:

- a) To review the present practices and identify the constraints in the implementation of quality works in hilly, haor, and char areas within allocated time.
- b) To review the use of construction materials, their quality, procurement process, availability and technologies used during construction.
- c) To review the size, nature of contract and their performances.
- d) To review the schedule of activities from preparation of estimate, approval to completion of the works.
- e) With the observation from the reviews, develop an effective methodology for smooth implementation of projects in time with quality.

1.3 Scope of the Assignment

In the TOR, the scope of the assignment for all five studies are described together as below. All points are not be applicable for the study 05. However, the applicable points mentioned in the scope of the assignment will be addressed.

The consultant shall carry out tasks in accordance with accepted professional standards and practices that includes but not limited to:

- a) Analyze the existing road database and newly developed database of disconnected villages of LGED.
- b) Cross check the database of disconnected villages by visiting, using satellite images and tele-conference with local stakeholders.
- c) Visit and data collection for the selected case studies**
- d) Analyze the inland water transport policy in Bangladesh.
- e) Reviewing of all relevant project documents related to the procurement of works, goods, and services.**
- f) Review and analyze the regulatory framework of development and maintenance of road network and ascertain responsibility and mandated gaps.
- g) Review and analysis of a regulatory framework for development and maintenance of navigability of inland waterways, haor, hill, island, and also ascertain responsibility/ mandated gaps in respect of entire network.

- h) Analyze the role of different development agencies, govt. agencies, and LGI in respect of development and maintenance of road network.
- i) Analyze existing road maintenance policy of LGED and RHD.
- j) Identify existing logistics, policies, development strategies etc. related to the development and maintenance of inland waterway, rural waterway, haor, and hill areas in particular.
- k) Review and responsibility of lease process of river ghat in haor, island, and hilly areas.
- l) Analyze relevant plans, policies of different organizations like Zila Parishad, Upazila Parishad, Union Parishad, and Hill Track Development authority.
- m) Ascertain the need for policy options that promote the use of rural waterways for transport and trade.
- n) Ascertain the role of local government bodies towards development, maintenance, and control of rural waterways.

1.4 Outline of the Steps for the Studies

- Mobilization: Consulting firm shall mobilize the experts as per the TOR and convenient logistic support to expedite the whole process of studies
- Work plan: Consultants will work with regular consultation with concerned individual consultant at PD office and prepare a realistic work plan for the studies within the stipulated time
- Data and Information Collection: prepare spatial, demographic and other necessary data base for the studies. Collect and review government long term plans and commitments for attaining the targets of vision 2041.
- Field Visit: arranging field visit and collecting necessary data and information
- Progress Sharing: There will be fortnightly meeting in PMO office for sharing the progress
- Reporting: Inception report, Draft Report and Final Report submission as per TOR
- Workshop and validation: Consultant will arrange consultation with stakeholders to disseminate the outcome of the studies and seek their opinion for further improvement.
- Final Submission: Consultants will scrutinize and incorporate the feedbacks of consultation meeting and complete the report for final submission

1.5 Effectiveness of Study Period and Reporting Schedule

The total period of the proposed study is considered 05 (five) months only. Within this period following deliverables have been considered to submit:

- Inception & Mobilization Report in 10 (ten) copies for the proposed study project would be submitted after two weeks of the commencement of the work;
Deliverables: Inception Report; contains a detailed methodology on how the team is going to undertake these five tasks, an updated approach, study schedule and staffing of the individual tasks, review of the previous relevant documents, and overview of the study area.
- Draft Final Report in 10 (ten) copies for each task of the project would be submitted within the schedule of 04 (four) months of the study period;
Deliverables: Draft Final Report and Maps; it contains detailed survey results, analysis of relevant policies, and Recommendations. Draft final report must be separate for each study

Expected output for Study-05: Guideline for contract management, contractor qualifications. Timeframe for contract management. Any other recommendations, suggestions from the consultant are highly appreciated

- Final Report in 10 (ten) copies for each task of the project under the study would be submitted within the schedule of 05 (five) months.
Deliverables: Final Plan, Report and Maps; it contains the updated final plan report and maps for this study. Map should be provided both in softcopy & hardcopy. Union Level maps should be provided in 02 (two) sets and Upazila level maps should provide 05 (five) sets. Map's size, scale, layout, legends must be confirmed after the discussion with the PD office.

Chapter 2: Approach & Methodology of the Study

2.1 Approach of the Study

The approach of this study will be a mixed approach of both quantitative and qualitative analysis. The quantitative analysis includes the data collection from the field with certain indicators. The indicators are selected in such a way that the compliance of Public Procurement Rules and performance of procurement can be measured. The data are to be analyzed and derived results to make comments on procurement performance, particularly the compliance position with the Public Procurement Rules.

The qualitative analysis includes the understanding of different issues of procurement from the perspective of the stakeholders. Inspection of contract files, interview with the stakeholders is done through the field visit or virtual communications. Based on the responses of the stakeholders findings of the inspection of files, results are framed out having compilation of different issues of procurement particularly the limitations or other impediments of smooth contract implementation and management.

Due to constraints of time and budget, four representative districts covering hill and haor area are considered under this study.

2.1 Methodology of the Study

In convergence with the above approach, the following methodology of study has been undertaken.

The study will be conducted in the following five Upazilas of four Districts

- (a) Alikadam and Lama Upazila of Bandarban district,
- (b) Sariakandi Upazila of Bogura district,
- (c) Baniachong Upazial of Habiganj district,
- (d) Jagannathpur Upazila of Sunamganj district,.

For quantitative analysis, two types of data collection forms were developed namely “Primary Data Collection Form” and “Detail Data Collection Form”. The data collection formats are attached in the Annexes.

To perform the above task, an initial work plan was prepared which is attached in the annexes. The work plan will be revised time to time to adjust the overall operational plan of the consulting firm and the project office, however the general essence of the work plan will have usefulness to accomplish the whole task.

The Primary Data Collection Form will be sent to the Upazial offices with a request to provide data to the consultant through the project office. The Upazila offices has sent the data to the Consultant through e-mail.

The primary data contain short information mainly contract name, contract amount and completion date as per contract, revised contract amount and completion date if the contract is revised.

The primary data will be analyzed and find out those contracts where there were cost variation or time variation.

From the primary data of five Upazila, 21 contracts were identified for more detail data collection and analysis.

The Upazila offices were then requested to provide information in the detail data collection format for the selected 21 contracts. The detail data comprises thirty-five different type information to analyze the performance and compliance matters of procurement. The findings of data analysis are presented in chapter-3.

The findings of data analysis and overall recommendations will be shared with the stakeholders for their comments and feedbacks. After getting comments and feedbacks, the final findings of the study and recommendations will be prepared.

To address one of the objectives of this research study to “develop an effective methodology for smooth implementation of projects in time with quality”, two chapters on risk management and mitigation in public procurement and methodology for improvement of procurement functions are included in this study based on public procurement rules, findings of procurement review and basic concepts of project management.

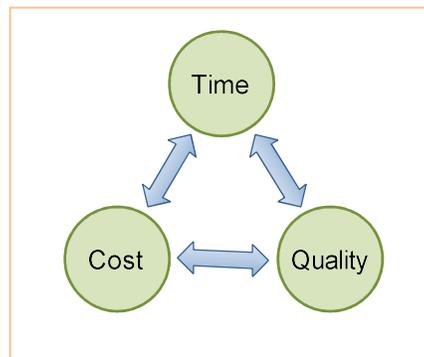
Chapter 3: Data Analysis and Findings

3.1 Performance Indicators

LGED is highly decentralized organization and procurement is also done in decentralized way. In decentralized procurement system, all indicators may not be equally applicable for all different geographically distinct area. For example, the remote area where communication is very difficult to carry materials for construction, the timely completion of contract is very difficult and time overrun is very usual. So, there is needed to apply weightage to calculate time overrun and compare between contract management efficiency in backward area and well-connected area. However, we analyze the performance in simple way avoiding complex statistical procedure to understand the performance of procurement functions.

The performance of procurement functions can be analyzed with the following indicators. The indicators have been selected in a way that the result will reflect the status of performance and compliance of procurement.

- (a) **Tenderer's Participation in Tender:** More participation of Tenderer ensures more competition and thus achieve value for money (economy criteria) in spending public fund.
- (b) **Procurement Processing Time:** This is the time spent between opening of tender and contract sign. Although as per rule 36(4) of PPR, the NOA should be issued within the validity period of tender but shorter processing time indicates better performance of procurement and thus achieve value for money (efficiency criteria) in spending public fund.
- (c) **Time Management in Contract Execution:** Contract completion within the original contract period indicates better contract management and thus achieves value for money (efficiency criteria) in spending public fund. However, contract can be extended in an unavoidable circumstance. In that case the relevant rules of PPR and relevant clause in Condition of Contract for time variation should be followed. If the contract variation for time extension occurred then contract amendment should be signed.
- (d) **Cost Management in Contract Execution:** Contract completion within the original contract price indicates better contract management. However, contract price can be changed due to unavoidable reason. In that case the relevant rules of PPR and relevant clauses in Condition of Contract should be followed. If the contract variation for change of contract price occurred then



contract amendment should be signed. Cost management is important to achieve value for money (economy criteria) in procurement process.

- (e) **Quality Management in Contract Execution:** For quality management, the relevant rules of PPR and relevant clauses in Condition of Contract should be followed. If there is variation in quality then the contract amendment should be signed. Quality management is very important to ensure value for money (effectiveness criteria) in public procurement.

In all cases of time, cost and quality variation, the procuring entity should consider carefully the early warning process, compensation event and level of approving authority and signature of the contract amendment.

Time, cost and quality are closely interlinked in contract management. Changing of one parameter will affect other two.

3.2 Procurement Planning:

Procurement plan preparation and approval is mandatory before start of procurement process. In the procurement plan, selection of procurement method is very important task in terms of procurement professionalism. In the following table, procurement method used by PE in fiscal year 2019-20 and 2020-21 for five Upazila are shown.

Name of Upazila	No. of Packages in LTM Method	No. of Packages in OTM Method	No. of Packages in OSTETM Method	Total Packages
Alikadam	6	6	3	15
Lama	-	17	-	17
Sariakandi	24	11	1	36
Baniachong	24	9	9	42
Jagonanthpur	5	18	-	23

From the above figure it has been revealed that the OTM is discouraged which is against Rule- 61(1), LTM has been encouraged which is against Rule- 63 (1) (Gha), OSTETM is applied improper way which is against Rule- 68 Ka (1) (applicable for turnkey or big works contract). In Baniachong and Saiakandi Upazila 66% and 57% tendering were done in LTM.

3.3 Tenderer's Participation

The participation of the tenderer against each package under review has been presented below:

There are some missing data. To avoid misleading result, the missing data were excluded in the analysis in this report.

3.3.1 Participation of the Tenderer at Sariakandi Upazila of Bogura District

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
1	Construction of Extension Administrative Building & Hall Room, Sariakandi, Bogura	EUCPW-65	412522	7	7	OSTETM
2	5.Chowkibari additional class room	2019-20/W2-01608	453752	8	8	OTM
3	6.Pikortoly additional class room	2019-2020/W2.01610	453755	8	7	OTM
4	Emergency Maintenance of Hatshepur Up-Charpara Bazar Via Solurghat Road	GOB/BOG/19-20/W-24	379903	85	85	LTM
5	Emergency Maintenance of Chaluabari Up – Anandabazar Road from	GOB/BOG/19-20/W-26	379905	73	73	LTM

3.3.2 Participation of the Tenderer at Baniachong Upazila of Hobiganj District

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
1	Construction of Class room of Sharif Khani GPS	2019-2020/W1-05207	355863	41	41	LTM
2	Construction of Rayer Para GPS	2019-2020/W1-05310	367614	50	50	LTM
3	Construction of class room for Garib Hussain GPS	2019-2020/W2.00223	397680	4	2	OTM
4	Construction of class room for Nagura Farm GPS	2019-2020/W1.06217	410537	106	105	LTM
5	Construction of boundary wall including gate of Banmathura Regi Primary School and Mir Moholla HPS	2019-2020/W14-0793	446003	8	8	OTM

3.3.3 Participation of the Tenderer at Jagonnathpur Upazila of Sunamganj District

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
1	Boundary wall (1) Chikka (2) Sadipur (3) Uttar Ddawrai GPS	W14.0832	432376	6	6	OTM
2	Chikka GPS	W1-02418	239770	16	16	LTM
3	Repair of Patli UP	W1-06048	406002	16	16	LTM
4	Masajankadipur GPS	2018-2019/W1- 03577	393913	18	18	LTM
5	Sriramishi GPS	W1-06047	393806	18	18	LTM

3.3.4 Participation of the Tenderer at Alikadam Upazila of Bandarban District

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
1	Improvement of Pan Bazar- Chokying Tripura para Kalar Ijiri Road	W-B-BAN-Ali- UNR/058	157438	4	4	OTM
2	Construction of 75m long PC Girder Bridge on Fasiakhali- Alikadam Main RHD Road	WD/RIDPCHT- 2/BAN/ ALIKADAM/ BRIDGE/W52	184634	2	2	OTM
3	Dayal Chandra Para & Thoaching Headman Para GPS	2018- 2019/W.03814	333427	5	5	OSTETM
4	Construction of class room of Naya Para GPS	2018-2019/W1. 025066	268785	64	64	LTM

3.3.5 Participation of the Tenderer at Lama Upazila of Bandarban District

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
1	Daluchari GPS	2018-19/W1- 02551	277178	Data not found	Data not found	OTM
2	Rupashipara GPS	2018-19/W1- 02548	240089	23	22	OTM
3	Matamuhuri Govt. Primary School	2019- 2020/W17	294122	Data not found	Data not found	OTM
4	Dan Bam Hatirchara Govt. Primary School	2018-2019/W1- 03577	304118	Data not found	Data not found	OTM

Sl	Name of Contract	Package No	e-GP ID	Document Sold	Document Submitted	Tendering Method
5	Rangajhree Yunch Chowdhury Govt. Primary School	2018-2019/W1-03379	294125	Data not found	Data not found	OTM
6	Islampur B Alam Govt. Primary School	2018-2019/W1-03375	294120	Data not found	Data not found	OTM

3.3.6 Average Participation of the Tenderer

Name of Upazila	Average Tenderer's Participation- OTM	Average Tenderer's Participation- LTM
Sariakandi	7.33	79
Baniachong	5	65.33
Jagonnathpur	-	14.8
Alikadam	3.67	64
Lama	22 (one package)	-

Sariakandi and Baniachnog Upazila have very goods participation of the tenderers both in the OTM and LTM. In Jagonnathpur, all selected contract for post review is under LTM. The average participation is reasonable but all they have huge time overrun. Adequate participation of qualified tenderer ensures value for money (economy and efficiency)

3.4 Procurement Processing Time

Procurement processing time indicates the efficiency of procurement process which is one of the important elements of achieving value for money.

3.4.1 Procurement processing time at Sariakandi Upazila of Bogura District

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Construction of Extension Administrative Building & Hall Room, Sariakandi, Bogura	EUCPW-65	412522	23-Feb-21	21-Jul-21	148
5.Chowkibari additional class room	2019-20/W2-01608	453752	1-Jun-21	27-Aug-21	87

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
6.Pikortoly additional class room	2019-2020/W2.01610	453755	1-Jun-20	27-Aug-20	87
Emergency Maintenance of Hatshepur Up-Charpara Bazar Via Solurghat Road	GOB/BOG/19-20/W-24	379903	27-Nov-19	8-Jan-20	42
Emergency Maintenance of Chaluabari Up – Anandabazar Road from	GOB/BOG/19-20/W-26	379905	27-Nov-19	8-Jan-20	42

3.4.2 Procurement processing time at Baniachong Upazila of Hobiganj District

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Construction of Class room of Sharif Khani GPS	2019-2020/W1-05207	355863	7-Oct-19	6-Nov-19	30
Construction of Rayer Para GPS	2019-2020/W1-05310	367614	30-Oct-19	3-Dec-19	34
Construction of class room for Garib Hussain GPS	2019-2020/W2.00223	397680	9-Feb-20	13-Apr-20	64
Construction of class room for Nagura Farm GPS	2019-2020/W1.06217	410537	15-Mar-20	17-May-20	63
Construction of boundary wall including gate of Banmathura Regi Primary School and Mir Moholla HPS	2019-2020/W14-0793	446003	4-Aug-21	8-Sep-21	35

3.4.3 Procurement processing time at Jagonnathpur Upazila of Sunamganj District

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Boundary wall (1) Chikka (2) Sadipu r (3) Uttar Ddawrai GPS	W14.0832	432376	22-Mar-20	10-Jul-20	110
Chikka GPS	W1-02418	239770	2-Dec-18	20-Jan-19	49
Repair of Patli UP	W1-06048	406002	23-Jan-20	17-Feb-20	25
Masajankadipur GPS	2018-2019/W1-03577	393913	9-Jan-20	26-Feb-20	48

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Sriramishi GPS	W1-06047	393806	9-Jan-20	27-Feb-20	49

3.4.4 Procurement processing time at Alikadam Upazila of Bandarban District

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Improvement of Pan Bazar-Chokying Tripura para Kalar Ijiri Road	W-B-BAN-Ali-UNR/058	157438	15-Mar-18	15-May-18	61
Construction of 75m long PC Girder Bridge on Fasiakhali-Alikadam Main RHD Road	WD/RIDPCHT-2/BAN/ALIKA DAM/BRIDGE /W52	184634	7-May-18	9-Sep-18	125
Dayal Chandra Para & Thoaching Headman Para GPS	2018-2019/W.03814	333427	23-Jul-19	3-Nov-19	103
Construction of class room of Naya Para GPS	2018-2019/W1.025066	268785	22-Jan-19	4-Mar-19	41

3.4.5 Procurement processing time at Lama Upazila of Bandarban District

Name of Contract	Package No	e-GP ID	Tender Open date	Contract Sign date	Processing Time (days)
Daluchari GPS	2018-19/W1-02551	277178	20-Nov-18	24-Dec-18	34
Rupashipara GPS	2018-19/W1-02548	240089	No data	24-Nov-18	Unavailable
Matamuhuri Govt. Primary School	2019-2020/W17	294122	No data	15-May-19	Unavailable
Dan Bam Hatirchara Govt. Primary School	2018-2019/W1-03577	304118	No data	16-Jun-19	Unavailable
Rangajhiree Yunch Chowdhury Govt. Primary School	2018-2019/W1-03379	294125	26-May-19	No data	Unavailable
Islampur B Alam Govt. Primary School	2018-2019/W1-03375	294120	No data	27-Jun-19	Unavailable

3.4.6 Average Processing Time of Tender

Name of the Upazila	Average Processing Time (days)
Sariakandi	81.20
Baniachong	45.20
Jagonnathpur	56.20
Alikadam	82.50
Lama	34.00

Lama Upazila shows less processing time although all data were not found. Sariakandi and Alikadam Upazila found significantly high average processing time. Baniachaong and Jagonnathpur are moderate processing time.

There is scope to improve this area of procurement performance. Average 60 days procurement processing time can be considered as good level of procurement efficiency.

3.5. Variation of Time in Contract Implementation

Extension of time in contract implementation is one of the major phenomena that affect the overall efficiency of the procurement performance. Time variation has direct implication with the cost and quality. To minimize this impact, there is provision in PPR for price adjustment for the contract duration more than 18 month, (Rule- 5(4)). But in fixed price contract, when the implementation period exceeds more than 18 months then a hidden impact on quality can be happened.

The following table shows the Upazila wise data for time overrun.

Upazila Name	Total Package 2019-20 & 2020-21	Completed as per contract	Time overrun	Comments
Alikadam	15	11	4	26.67% overrun
Lama	17	5	12	70.58% overrun
Sariakandi	52	14	32	61.53% overrun 6 ongoing
Baniachong	42	3	39	92.83% overrun
Jagonnathpur	23	3	16	69.56% overrun 4 ongoing

Overall time overrun shows a widely varying range in the above table. However, in Baniachong Upazila, around 90% contracts have time overrun which is significantly high. Other three Upazila Lama, Sariakandi and Jagonnathpur have 70.58%, 61.53% and 69.56% contract time overrun respectively.

3.5.1 Variation of Time in Contract Implementation at Sariakandi Upazila of Bogura District

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Construction of Extension Administrative Building & Hall Room, Sariakandi, Bogura	EUCPW-65	412522	4-Nov-21	4-Nov-21	Not included
5.Chowkibari additional class room	2019-20/W2-01608	453752	16-Jun-21	21-Dec-21	188
6.Pikortoly additional class room	2019-2020/W2.01610	453755	16-Jun-21	21-Dec-21	188
Emergency Maintenance of Hatshepur Up-Charpara Bazar Via Solurghat Road	GOB/BOG/19-20/W-24	379903	26-Mar-20	29-Dec-20	278
Emergency Maintenance of Chaluabari Up – Anandabazar Road from	GOB/BOG/19-20/W-26	379905	26-Mar-20	14-Dec-20	263

3.5.2 Variation of Time in Contract Implementation at Baniachong Upazila of Hobiganj District

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Construction of Class room of Sharif Khani GPS	2019-2020/W1-05207	355863	10-Aug-20	27-Nov-21	474
Construction of Rayer Para GPS	2019-2020/W1-05310	367614	10-Sep-20	30-Jun-21	293
Construction of class room for Garib Hussain GPS	2019-2020/W2.00223	397680	27-Oct-20	31-Jul-21	277

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Construction of class room for Nagura Farm GPS	2019-2020/W1.06217	410537	28-Feb-21	7-Oct-21	221
Construction of boundary wall including gate of Banmathura Regi Primary School and Mir Moholla HPS	2019-2020/W14-0793	446003	8-Jan-21	29-Nov-21	325

3.5.3 Variation of Time in Contract Implementation at Jagonnathpur Upazila of Sunamganj District

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Boundary wall (1) Chikka (2) Sadipur (3) Uttar Ddawai GPS	W14.0832	432376	30-Nov-20	15-Oct-21	319
Chikka GPS	W1-02418	239770	26-Oct-19	25-May-20	212
Repair of Patli UP	W1-06048	406002	23-Mar-20	2-Mar-21	344
Masajankadipur GPS	2018-2019/W1-03577	393913	24-Dec-20	On going	
Sriramishi GPS	W1-06047	393806	24-Dec-20	On going	

3.5.4 Variation of Time in Contract Implementation at Alikadam Upazila of Bandarban District

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Improvement of Pan Bazar-Chokying Tripura para Kalar Ijiri Road	W-B-BAN-Ali-UNR/058	157438	20-Jun-19	5-Mar-20	259
Construction of 75m long PC Girder Bridge on Fasiakhali-Alikadam Main RHD Road	WD/RIDPCHT-2/BAN/ALIKA DAM/BRIDGE/W52	184634	8-Feb-19	20-Dec-21	1046
Dayal Chandra Para & Thoaching Headman Para GPS	2018-2019/W.03814	333427	9-Aug-20	30-Jun-21	325

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Construction of class room of Naya Para GPS	2018-2019/W1.025066	268785	10-Dec-20	16-Nov-20	Data error

3.5.5 Variation of Time in Contract Implementation at Lama Upazila of Bandarban District

Name of Contract	Package No	e-GP ID	Completion date as per contract	Actual Completion date	Time Variation (days)
Daluchari GPS	2018-19/W1-02551	277178	20-Sep-19	5-Mar-20	167
Rupashipara GPS	2018-19/W1-02548	240089	24-Dec-18	18-Dec-19	359
Matamuhuri Govt. Primary School	2019-2020/W17	294122	21-Feb-20	30-Jul-20	160
Dan Bam Hatirchara Govt. Primary School	2018-2019/W1-03577	304118	23-Mar-20	30-Oct-20	221
Rangajhiree Yunch Chowdhury Govt. Primary School	2018-2019/W1-03379	294125	4-Mar-20	18-Jul-20	136
Islampur B Alam Govt. Primary School	2018-2019/W1-03375	294120	26-Mar-20	24-Aug-20	151

3.5.6 Average Variation of Time in Contract Implementation

Name of the Upazila	Average Variation of Time (days)
Sariakandi	229.25
Baniachong	318.00
Jagonnathpur	291.67
Alikadam	543.33
Lama	199.00

In the selected contracts, there is high time variation. Time extension varies in Sariakandi Upazila from 188 to 263 days, in Baniachong Upazila from 221 to 474 days, in Jagonnathpur Upazila 212 to 344 days and two packages still ongoing whose completion date was 24 December, 2020, in Alikadam Upazila 325 to 1046 days, in Lama Upazila 136 to 359 days.

The analysis shows that there are significant extensions of time of all the Upazilas. There is huge scope to improve this area. The contract management knowledge needs to be improved and relevant rules need to be applied.

3.6 Qualitative Analytical Report based on Interview:

For qualitative analysis, interview was taken to relevant stakeholders that included procuring entity office, contractors and other important person at field. The interview was taken during field visit at face to face or over telephone and zoom. The outline of interview questions is attached in the Annexes-3.

3.6.1 Sariakandi Upazila of Bogura District

The following issues were identified:

- The Upazila Engineer received the three weeks PPR national training and also e-GP training.
- There is no procurement related complaint.
- The construction materials, equipment and labour are adequate to implement the construction works.
- The contract implementation was affected due to COVID-19 lockdown situation.

3.6.2 Baniachong Upazila of Hobiganj District

The following issues were identified:

- No one received the three weeks PPR national training and 2 persons received e-GP training.
- There is no procurement related complaint.
- The construction materials, equipment and labour are adequate to implement the construction works.
- There is remote construction site where carrying of materials and equipment are difficult.
- The contract implementation was affected due to COVID-19 lockdown situation

3.5.3 Jagonnathpur Upazila of Sunamganj District

The following issues were identified:

- No one received the three weeks PPR national training and 2 persons received e-GP training.
- There is no procurement related complaint.
- The construction materials, equipment and labour are inadequate to implement the construction works.

- There is remote construction site where carrying of materials and equipment are difficult.
- The contract implementation was affected due to COVID-19 lockdown situation

3.5.4 Alikadam Upazila of Bandarban District

The following issues were identified:

- No one received the three weeks PPR national training and 1 person received e-GP training.
- There is no procurement related complaint.
- The construction materials, equipment and labour are not locally available.
- Manpower vacant in Upazila office. Out of 21 post, 14 are vacant that includes 2 SAE, 3 Work Assistant.
- There is remote construction site where carrying of materials and equipment are difficult due to hilly area.
- Landslides sometimes create problem.
- The contract implementation was affected due to COVID-19 lockdown situation

3.5.5 Lama Upazila of Bandarban District

The following issues were identified:

- No one received the three weeks PPR national training or e-GP training.
- There is no procurement related complaint.
- The construction materials, equipment and labour are not locally available.
- Manpower vacant in Upazila office. Out of 21 post, 8 are vacant that includes 1 SAE, 3 Work Assistant.
- There are remote construction site where carrying of materials and equipment are difficult due to hilly area.
- Landslides sometimes create problem.
- The contract implementation was affected due to COVID-19 lockdown situation

3.6 Findings on documents review

All records and information were not found in the relevant files of the contract packages under review. The findings of the documents review are as below:

1. **Unavailability of Procurement Plan:** Procurement Plan was not found in the file. Although for e-GP system requirement, the procurement plan was approved through system but there is other compliance of Procurement Plan like publish the plan in CPTU website, office notice board etc. The procurement plan has implications for better procurement management not only for PE, but also for the Tenderer. When the tenderer gets procurement plan early in the financial year, then the tenderer can plan well-ahead on his business opportunity to participate the tender and plan to mobilize required resources and ultimately the participation and competition increases.
2. **Unavailability of tender document:** In all cases, the tender documents were not found in the relevant file. Although it was e-GP tender and the tender documents are in the e-GP system, but for review and other management purposes, the copy of document should be preserved in the respective file. Due to unavailability of tender document in the file, an important review of tender document to see the quality and laps of the documents were not reviewed properly.
3. **Incomplete Contract Documents:** Only the stamp agreement found in the file. The important attachment like General Condition of Contract, Particular Condition of Contract and BOQ were not found in the file. So, the laps in contract documents were not reviewed properly.
4. **Time Extension:** For time extension, the application of the contractors found in the file and also the approval was found. For 2nd time extension, the approval deadline according to the PPR was not followed. It is a major non-compliance of PPR rule 39(4).
5. **Contract Amendment:** Amendment of contract was not signed due to variation of time which is major violation of Rule 38 (12).
6. **Work Plan:** In the file, the work plan of contract implementation to be submitted by the contractor was not found which is an important tool for time management of the contract. This is a major violation of compliance of PPR rule 38(4), 39(1)
7. **Quality Control:** In most cases, the test reports of materials (rod, cement, concrete etc.) were found in the file which is good quality management in contract implementation.
8. **Cost Control:** In most cases, the contracts were completed within the original contract amount which is good cost control in contract management.

Chapter 4: Risk Management in Procurement

Risk management is an important part of Procurement management. If risks are not managed properly then the procurement process can be unsuccessful and ultimately the objectives of the procurement can be unachieved. So, risk mitigation to ensure value for money in procurement is very important.

Risk is defined as uncertainty to achieve the results of any activity. In the area of procurement and contract management, the “management of risk” incorporates all the activities that requires to identify and control risks which have impacts on a contract fulfilment.

Risk could be external or internal. External risks are those which are beyond the control of the parties. For example, terrorism, adverse weather, shortage of material supply, increase of energy cost, labour cost or crisis. Internal risks are those which are within the control of the parties and can be managed. For example, delay of execution of contract, delay of payment, unclear role and responsibilities of the parties, unclear contract terms etc.

Risk management steps can be illustrated in a simple way with the diagram below:

Risk Identification: The Procurement Entity should identify the risk in procurement from beginning to end of every activity of procurement step. The following are some common risks in different steps of procurement that could be addressed in procurement functions.



(i) Identification of Needs and Procurement Planning: This is the first step in procurement process. Proper need identification and procurement planning is very important for effective and efficient procurement and ensures value for money. The following points should be considered during need assessment and procurement planning.

- Under or overstatement of needs. If the need is understated then the objective of procurement will not be fulfilled completely and effectively and will not ensure value for money. Similarly, if the needs are overstated then higher cost will be incurred without proper utilization of money. Thus, value for money will not be ensured.
- Misinterpretation of user needs. If the needs are assessed inaccurately or misinterpreted then there is risk of failure to achieve procurement objectives.

- Insufficient funding: Fund flow is important for ensuring continuity of contract management. If fund flow is disrupted then there is risk of non-accomplishment of the contract.
 - Not published. Procurement plan publish is important from the tenderer side. If the tenderers are informed ahead about the tender, then they can plan better for their business to mobilize resources.
 - Method not accurate, Package manipulated: Selection of procurement method is very important for effective procurement.
- (ii) Preparation of Official Cost Estimate, Spec/BOQ/TOR: Preparation of official cost estimates is mandatory before start of procurement. Specification, Bill of Quantities and Terms of References are the part of Tender or Proposal Documents. The following issues are to be considered to minimize risk in contract management.
- For goods procurement, specification of goods must be clear and complete so that the supplier can clearly understand what to be supplied. Right quality, right quantity, right time and right place of supply is vital to achieve value for money in goods procurement.
- To ensure free and fair competition, during preparation of spec, it should be taken into account that a large number of suppliers can participate in the tender. This also ensures one of the principle- equal opportunity.
- For works procurement, right BOQ is crucial to ensure value for money. Due to improper BOQ, there is every chance to cost overrun or time overrun and deteriorate the quality.
- To minimize cost overrun, an amount of provisional sum in works contract can be allocated in BOQ to address very unavoidable variation during contract implementation.
- For service procurement, the TOR will clearly describe the scope of the services. If the scope of the services is not clear then there are possible risks of incomplete or partial fulfillment of services and finally not ensure value for money.

Due to unclear or defective Spec/BOQ/TOR, there are possibilities to arise conflict between the parties which makes delay of contract implementation or generate extra cost of conflict resolution.

- (iii) Preparation of Tender and Proposal Documents: Preparation of the tender and proposal documents are very crucial to address every fundamental aspect of procurement that are transparency, accountability, competition and equal opportunity. The following points are to be considered during preparation of tender and proposal documents.
- Eligibility and qualification criteria should be determined in such a way that it is not restricted to any group and favours particular group.
 - Evaluation criteria should be clearly defined in the tender and proposal documents so that the tenderer can understand what are to be required to participate in tenders.

- The tender data sheet and particular condition of contract should be filled up properly to ensure the quality of tender documents and transfer clear information to the tenderer about the tender.
 - In case of service procurement, the types and man-months of key experts should be optimal with the scope and output of the services. If understated or overstated then the value of money will not be ensured and there would be risk of improper result from the services.
 - In case of service procurement, it is also important to select contract type rightly, i.e., lump sum contract or time-based contract. Wrong selection of contract type could jeopardize the output of services.
- (iv) Evaluation of tender and proposal. Substantial risks are associated in evaluation of tender and proposal and if it is not done properly then there is every possibility of complaint generation. During evaluation, the following points should be taken into account.
- Evaluation should be done according to the criteria disclosed in the tender or proposal documents. Any undisclosed criteria should not be taken into consideration.
 - Evaluation must be unbiased and any decision that could favour to any particular group or party must be avoided.
 - Must avoid the delay of evaluation. The extension of validity causes unnecessary increase of expenditure of the participating tenderer. For services, the delay can cause the key experts to move to other assignments that would generate risks of ensuring effectiveness and efficiency of the proposals leading not ensuring value for money or burden of replacements of the key experts which are also triggered process inefficiency in procurement.
- (v) Risk at contract Management: In the contract management, risk can be transferred through doing insurance. For services contract, there is provision in the contract documents for professional liability insurance. For works contract, in e-PW3 document, GCC clause 37 and outline at corresponding PCC, the detail insurance issues are mentioned. After the contract sign the PE will ensure that the insurance is done.

Chapter 5: Methodology for the Improvement of Procurement

The Government of Bangladesh enacted the Public Procurement Act in 2006 and Public Procurement Rules in 2008 with the purpose of promoting value for money in public procurement to spend public fund ensuring transparency, accountability, open competition and equal opportunity or non-discrimination. The Public Procurement Rules also ensure the risk mitigation measures is different stages in procurement process.

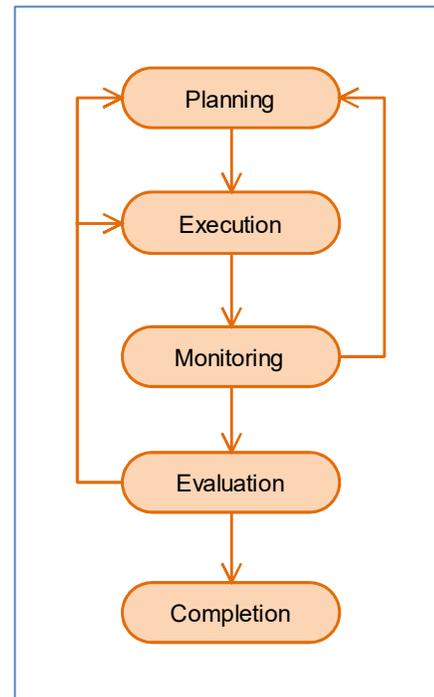
The methodology for the improvement of procurement has been developed on the basis of Public Procurement Act 2006, Public Procurement Rule 2008 and e-GP Guidelines and basic concept of project management.

It is well understood that only procurement knowledge and skill is not enough to improve the performance and efficiency of contract management, rather project management skill can contribute synergically with the contract management performance. Every contract can be considered as a small individual project and concept of contract management and project management together can improve the contract management performance significantly. Compliance of procurement rule and performance of contract management sometimes may not be related in a convergence way. For example, the time overrun can be addressed within the procurement compliance framework in the PPR but the lower efficiency in procurement due to delay in contract implementation results inefficient outcomes.

There are different project management analytical tools like PERT (Program Evaluation Review Technique) or CPM (Critical Path Method) etc. Considering the huge number of contracts implementing by LGED, these tools may not be suitable to follow. This sort of tool can be applied for big contracts and LGED can select a threshold above which this project management tools will be applied.

For small and medium contract value an easy and simple project management can be done through following some sequence with a control system by developing different checklist. A simple outline is illustrated as below:

Planning Checklist: In this stage, the contractor will prepare a work schedule which is also the part of contract management compliance of PPR. A checklist will be developed that will contain the information of date of commencement as per contract, mobilization of resources, quantity of materials and their source of availability, identification of any risk and probable mitigation measures, fund flow plan (bill payment amount and tentative date), major



milestones target date, completion date. This plan will be prepared by the contractor with the help of PE. The final checklist will be agreed and signed by the both parties.

Execution Checklist: This checklist will be prepared and maintained during the execution of work. The checklist will contain the frequency of supervision, frequency of quality test, pro rata progress information as per work schedule, any adverse condition in the work site that required early warning by the contractor for variation of contract price and completion time.

Monitoring Checklist: Monitoring will be done continuously from planning to completion. If there is any deviation of execution as per planning, the monitoring checklist will make documented that events. If such deviation is persistent and can't adjust consecutive two or three line activities of work schedule then new work schedule would be prepared accommodating the contract time line.

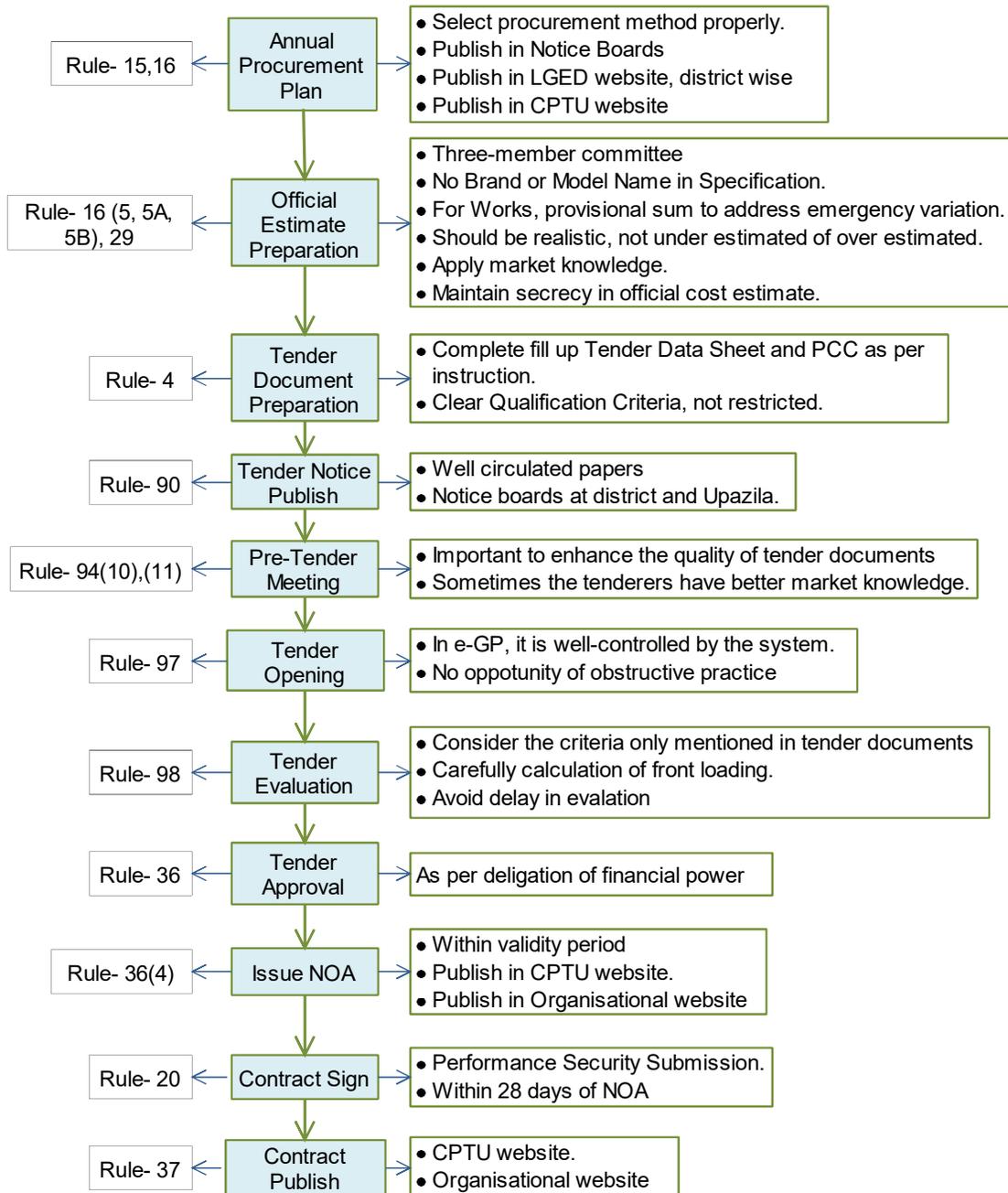
Evaluation Checklist: Evaluation will not be done continuously rather it will be done one two or three months frequency based on total contract duration. The checklist will address overall quality, progress and outputs. If there is any deviation as per planning and execution then the measures will be taken for rectification or solution. The evaluation checklist will detect if there are faults to perform the roles and responsibilities of both the Project Manager and the contractor. This checklist will give a fair information on compensation events, claims etc. and a basis of the PE for justification and take decision to impose liquidated damage or any variation.

Completion Checklist: This checklist will contain information on final payment, as built drawing and handover certificate etc. All those are compliance issues which we found many times not fulfilled.

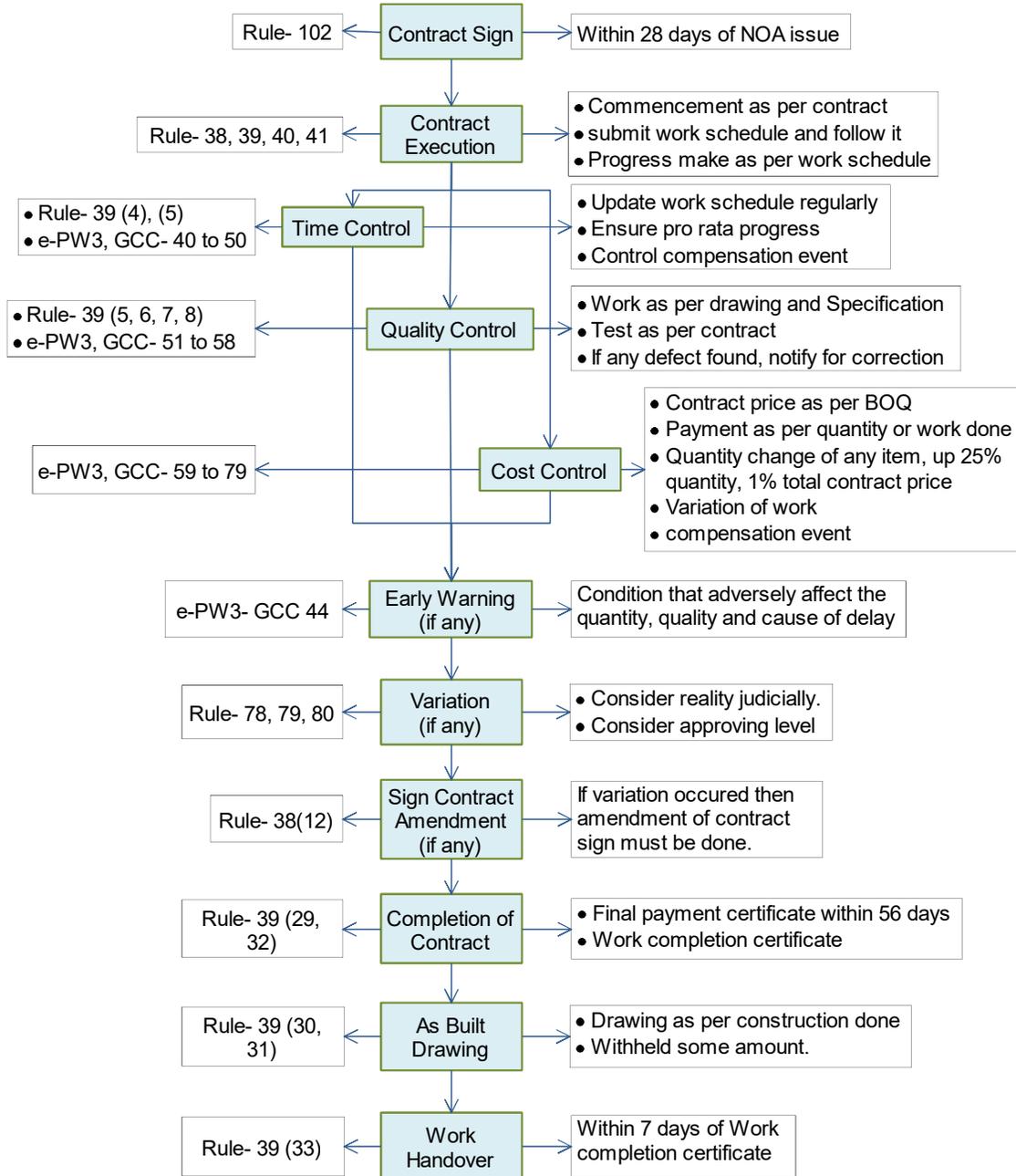
Core competence in procurement includes skills in tendering, contract management, risk management and project management. In e-GP system, tendering process is well-established and well-controlled by the system. Now for contract management, it needs to develop a control system where the system would ensure compliance and efficiency. Technology is now available and cheap. A web based monitoring and controlling system can be developed for contract management that would address the above project management controls which could be accessed, filtered and operated by the different level of officials of LGED.

For the tendering and contract management, two process diagram have been developed that would illustrate the detail steps with concern rules and vital points.

Process Diagram for Tendering Phase (From APP to Contract Sign)



Process Diagram for Contract Management Phase (From Contract Sign to Completion)



To ensure the compliance, the above two process diagrams could be followed as quick reference. There are many issues of contract management that can appear as case-by-case basis. Then PPR and contract documents would be the reference documents to address those issues.

To ensure compliance and enhance efficiency in procurement process, the findings, recommendation and conclusion, Chapter 6 of this report is very important to understand.

Chapter 6: Findings, Recommendations and Conclusion

6.1 Findings of the research:

Within the limited budget, time and scope, the data of 21 selected contracts in five Upazila was analyzed. During field visit, official documents were examined. The summaries findings of five Upazila are illustrated below:

- (i) No evidence of complaint found in five study Upazila.
- (ii) All tenders in Lama Upazila were done through OTM method. This initiative complies PPR Rule- 61(1), preferred method of tendering.
- (iii) In Baniachong and Sariakandi Upazila, 66% and 57% tendering were done in LTM which do not comply Rule- 63 (1), Gha.
- (iv) In Baniachong Upazila, out of 42 tender, 9 tendering were done in OSTETM which do not comply Rule- 68 Ka (1). They used OSTETM for low value ordinary contract.
- (v) In LTM tender participation of tenderers ranges is 14.8 at Jagonanthpur to 79 at Sariakandi.
- (vi) Tender processing time at Alikadam and Sariakandi are 82.5 days and 81.2 days which are significantly high.
- (vii) In Baniachong Upazila, 92.83% contracts have time overrun which is significantly high. Lama, Gagonanthpur and Sariakandi have also high percentage of contracts have time overrun which are 70.58%, 69.56% and 61.53% respectively.
- (viii) LTM method and time overrun can have co-relation. Since in LTM, contractors don't required previous experience, so there is potential risk of proper completion of the contract. In Baniachong Upazila, 92.83% contracts have time overrun and 66% tendering was done through LTM. Similarly in Sariakandi Upazila, 61.53% contracts have time overrun and 57% tendering was done through LTM.
- (ix) Out of five Upazila, only UE of Sariakandi Upazila has got three weeks national level PPR training. UE of other four Upazila didn't get. However all have got e-GP training.
- (x) In Alikadam Upazila, out of 21 posts at Upazila level, 14 post are vacant that includes 2 SAE and 3 Work Assistant.
- (xi) In Lama Upazial out of 21 posts at Upazila level, 8 post are vacant including 1 SAE and 3 Work Assistant.
- (xii) Procurement Plan was not found in the file. Although for e-GP system requirement, the procurement plan was approved through system but there is other compliance of

Procurement Plan like publish the plan in CPTU website, office notice board etc.

- (xiii) The tender documents were not found in the relevant file. Although it was e-GP tender and the tender documents are in the e-GP system, but for review and other management purposes, the copy of document should be preserved in the respective file.
- (xiv) Only the stamp agreement found in the file. The important attachment like General Condition of Contract, Particular Condition of Contract and BOQ were not found in the file. It is violation of Rule- 4(7)
- (xv) For time extension, the application of the contractors found in the file and also the approval was found. For 2nd time extension, the approval deadline according to the PPR was not followed. It is a major non-compliance of PPR rule 39(4).
- (xvi) Amendment of contract was not signed due to variation of time which is major violation of Rule 38 (12).
- (xvii) The work plan of contract implementation to be submitted by the contractor was not found which is an important tool for time management of the contract. This is a major violation of compliance of PPR rule 38(4), 39(1).
- (xviii) Violation of Rule-43, not to preserve necessary documents in the file.
- (xix) In most cases, the test reports of materials (rod, cement, concrete etc.) were found in the file which is good quality management in contract implementation.
- (xx) In most cases, the contracts were completed within the original contract amount which is good cost control in contract management.

6.2 Recommendation:

As all the tenders were done in e-GP system, many of the compliances of rules automatically controlled by the system, for example, approval of procurement plan, formation of TOC and TEC, tender documents preparation before publish of tender, errors in opening of tender, arithmetic correction, fraud in tender security etc. In spite of this simplification of process through e-GP, there are many scopes to improve performance particularly in contract management.

However, the following are some recommendations to improve the procurement functions.

- (i) All relevant documents as per Rule- 43(3) should be preserved in relevant file.
- (ii) Procurement plan should be published as per Rule 16.
- (iii) During the time of approval of the procurement plan by HOPE, the method of tendering should be checked properly so that any abuse of method is not done.

- (iv) Tender and contract documents for large contract can be prior reviewed by the Procurement Unit to maintain quality and compliance of the documents. To do so, the Procurement Unit would be needed to strengthen with more professionals and logistics.
- (v) Can be decentralized the procurement Unit up to regional level to oversee and monitor compliance and efficiency issues at field level.
- (vi) Only procurement and e-GP training is not enough to enhance procurement efficiency. A customized training comprises of procurement and project management can improve the overall efficiency of contract management. Before preparation of training module, need analysis, skill gap analysis etc. could be done.
- (vii) During ongoing procurement training, the frequently happened non-compliance can be discussed. The LGED HQs can prepare a simple checklist to address the frequently happened non-compliances.
- (viii) As part of long term capacity development, a web based procurement monitoring and compliance control system can be developed that will provide access and control of different levels of officials of LGED. The system will control non-compliance and inefficiency in contract management process. The technology is now available.
- (ix) Contractor is the part of procurement process. If they have knowledge deficiency in tendering and contract management then the overall improvement initiative will be vulnerable. Training on procurement including awareness and motivation for good practice should be done in a planned way. A cultural transformation is needed to shift from wrong practice to good practice.
- (x) Fill up all vacant position to make work load balanced.
- (xi) Provide three weeks national level procurement training to all PE with priority.
- (xii) Reduce the procurement processing time that is the time form opening to contact sign. In this phase, the time for evaluation can be faster. This can enhance procurement efficiency.
- (xiii) For contract management, work plan submission by the contractor, monitored by PE and regularly update is very important.
- (xiv) Pro-rata progress achievement is very important for timely completion of the project which needs to be monitored closely. Action can be taken based on relevant clause of the contract.
- (xv) If there is possibility of variation, then early warning is very important. Project Manager should be taken against early warning.
- (xvi) Time extension should be allowed on the basis of compensation event if happened. In the time extension application, the compensation event should be spelled out clearly.
- (xvii) The variation approval must be followed the rule of PPR timeline.
- (xviii) In any variation, the amendment of contract must be signed by the both parties.

6.3 Conclusions:

The government of Bangladesh has invested a huge amount of money by the financial assistance of the World Bank through CPTU for capacity development of Public Procurement at national context. Under the program, more than 160 MCIPS are awarded and 25 officials completed Masters in Public Procurement from the ITC-ILO from different government organisations. LGED has 15 nos. MCIPS and 8 nos. ITC-ILO graduates which is a big strength of the organization. Now this is the time that LGED had utilized the professional knowledge and core competence of those professionals to improve the procurement capacity of the organization.

Although the study area, scope and time for this research was very limited and not adequate to make a projection for the whole organization having a base to formulate any future strategy and plan, but this research findings and recommendations will contribute to formulate any larger study for procurement capacity development of the organization.



**Meeting at
Bandarban
XEN office**



**Nayapara
Govt.
Primary
School,
Alikadam
Upazila,
Bandarban.**

Annexes

Annex-1: Preliminary Data Collection Form

Procurement Review (Financial Year: 2019-2020 & 2020-2021)

Name of the Upazila:

Name of the District:

(Please fill up the following table separately for 2019-2020 and 2020-2021)

Sl.	Package Name	Package no.	e-GP ID	Category (Goods/ Works/ Service)	Method RFQ/ OTM/ LTM Etc.	Date of issue of NOA	Date of contract sign	Contract amount as per NOA, Tk.	Completion date as per contract	Actual completion date	Revised contract amount if any, Tk.	Actual bill amount, Tk.	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1													
2													
3													

Signature of UE (with date):

Name of UE:

Mobile No. of UE:

Annex-2: Detail Data Collection Form

Detail Procurement Review

(Please provide the information as below for each individual package)

1. Name of the Upazila and District:
2. Name and No. of the Package:
3. e-GP Tender ID:
4. Type of package: Goods or works or services
5. Date of Procurement Plan Approval:
6. Date of approval of the official cost estimate:
7. Amount of official cost estimate (Taka):
8. Date of tender notice published in the Newspaper:
 - a. Bangla Newspaper's Name and publish date:
 - b. English Newspaper's Name and publish date:
9. Date of e-GP tender publish:
10. Date of Submission:
11. No of tender document sold:
12. No of tender submitted:
13. Date of tender evaluation completed:
14. Any note of dissent by any TEC member, if yes then mention in detail:
15. Date of approval of tender:
16. Date of NOA issued:
17. Date of contract sign:
18. Date of contract completion as per contract:
19. Amount of contract:
20. How many times completion date extended:
21. Give reasons for every time extension.
22. Actual completion date:
23. If any cost variation, then reasons of variation:
24. Contract amount as per variation:
25. Due to cost and time variation, was the amendment of contract signed?
26. How many persons received PPR 3 weeks training?
27. How many persons received e-GP training?
28. Attach Tender Data Sheet (TDS)

29. Attach Particular Condition of Contract (PCC)
30. Any complaint before or after contract sign?
31. Is the complaint resolve or not?
32. Inspection and test report information.
33. Is the package already audited? If yes, then what are the audit observations:
34. Are there any issues of availability of construction materials, labour or equipment?
35. Are there any issues that adversely affect the contract implementation?

Signature with date of UE:

Name of UE:

Mobile No. of UE:

Annex-3: Outline of the Interview Questions

Interview Questions to PE

1. What are the constraints in the implementation of quality works in the hilly area?
2. Are the quality construction materials available in the local market?
3. Are the skilled and unskilled labours available locally?
4. Is the participation of the contractors sufficient in tenders?
5. Is the capacity of the contractors adequate to submit tenders and implement contracts?
6. Is the strength of the PE adequate to perform tender and contract management.
 - a. How many officials have got procurement training? PPR and e-GP?
 - b. Do you need further training or not?
 - c. Do you have required computers, internet or logistics for procurement function?
7. What is your opinion for overall implementation of the procurement process?

Interview Questions to Contractors

1. What are the main problems of implementation of quality works?
2. What are the problems of getting construction materials locally?
3. What are the problems of getting skilled and unskilled labours locally?
4. What are the problems of getting construction equipment locally?
5. What is your opinion for improvement of overall procurement and contract implementation?

Initial Work Plan

Work Plan for Procurement Review		January 2022															February 2022																												
Sl. No.	Name of Task	28	30	1	3	5	7	9	11	13	15	17	19	21	23	25	27	29	31	2	4	6	8	10	12	14	16	18	20	22	24	26	28	2	4	6	8	1							
1	Prepare Data Collection Format	Jan 2 Jan 4																																											
2	Collect Preliminary Procurement Data from selected UE office	Jan 5 Jan 18																																											
3	Analyze Preliminary Procurement Data and prepare report	Jan 19 Jan 25																																											
4	Collect detail Procurement Data from selected UE office	Jan 26 Feb 4																																											
5	Analyze detail Procurement Data and prepare report	Feb 5 Feb 11																																											
6	Field Survey to collect indepth procurement info based on data analysis	Feb 12 Feb 18																																											
7	Prepare draft report	Feb 19 Feb 25																																											
8	Submit draft report	Feb 25																																											
9	Prepare final report	Feb 26 Feb 28																																											
10	Submit final report	Feb 28																																											
Project: My Village My Town Local Government Engineering Department. Date: January 12, 2022.		Task Milestone		Summary		Deadline																																							
Page 1																																													