

Measuring procurement performance of LGED and RHD based on key performance indicators (KPIs)

Submitted by

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MPSM, Batch VII

ID No. 14282026

Masters in Procurement and Supply Management

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BRAC Institute of Governance and Development (BIGD)

BRAC University, Dhaka, Bangladesh

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

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Statement of the Author

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Abu Sayed Md. Kamruzzaman

Abstract

Transparency, efficiency, accountability, competitiveness, equitable treatment and free & fair competition are essential for using public funds. To streamline these objectives through public procurement, the Government of the People's Republic of Bangladesh has enacted Public Procurement Act (PPA) 2006 and thereafter issued Public Procurement Rules (PPR) 2008. The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) is continually monitoring the compliance procurement activities in 04 target agencies in the light of 45 predetermined Key Performance Indicators (KPI). Among the four target agencies, LGED and RHD are the largest in terms of budget allocation against the projects in the Annual Development Programme (ADP). It is generally said that a total of 80% of ADP allocation are spent for procurement of goods, works and services. Thus, it seems to be a good consideration to have a look at the compliance issues of PPR 2008 in RHD and LGED's procurement activities. The present study seeks to provide an assessment of the current procurement performance of LGED & RHD and to find out the gap of compliance with scope of improvement for implementation of PPR 2008.

A semi structured questionnaire was used to collect primary data from randomly selected 60 procurement practitioners working in LGED (30) and RHD (30). The Responses were analyzed by using SPSS 17 version package. The related literatures and reports, particularly from LGED and SRGB, have been thoroughly reviewed before conducting the main research work. The key findings of these reports have been compared and analyzed to draw conclusion of the study. The highest proportion of the respondent was middle aged and male. Majority of them were from engineering background with post graduate education and were trained in public procurement.

The study found that LGED performed better in respect of KPI 4 (Percentage of Tenders following Development Partner Rules), KPI 6 (Average number of days between publishing of advertisement and Tender submission deadline), KPI 7 (Percentage of Tenders having sufficient tender submission time), KPI 10 (Ratio of number of Tender submission and number of Tender document sold), KPI 11 (Percentage of cases TOC included at least ONE member from TEC) and KPI 12 (Percentage of cases TEC formed by Contract Approving Authority) and KPI 13 (Percentage of cases TEC included two external members outside the Ministry or Division), KPI

14 (Average number of days between Tender opening and completion of evaluation), KPI 15 (Percentage of cases Tender evaluation has been completed within timeline), KPI 16 (Average number of responsive Tenders), KPI 19 (Average number of days taken between submission of Tender Evaluation and approval of contract), KPI 22 (Percentage of cases contract award decision made within timeline by Contract Approving Authority after submitting Tender Evaluation Report), KPI 23 (Percentage of cases TER reviewed by person/ committee other than the Contract Approving Authority), KPI 25 (Average number of days between final approval and Notification of Award (NOA)), KPI 27 (Average number of days between Invitation for Tender (IFT) and Notification of Award), KPI 32 (Percentage of Contracts fully completed and accepted). On the other hand RHD complied better on KPI 8 (Average number of Tenderers purchased Tender Documents), KPI 17 (Percentage of cases TEC recommended for Re-Tendering), KPI 20 (Percentage of Tenders approved by the proper financial delegated authority), KPI 24 (Percentage of Tenders approved by higher tier than the Contract Approving Authority), KPI 28 (Percentage of Contract awards published in CPTU's website), KPI 34 (Percentage of cases (considering each installment as a case) with delayed payment), KPI 38 (Percentage of cases complaints have been resolved), KPI 41 (Percentage of Contracts with unresolved disputes), and KPI 44 (Percentage of procuring entity which has at least one trained/ certified procurement staff).

The perceptions of the respondents regarding procurement performance need to investigate more cautiously as there are ambiguity among the findings of present study, individual consultant's reports and SRGB's report. The scenario may be more or less similar in other target agencies. Although LGED is being complied better than RHD against most of the KPIs, there is scope and need for improvement to have a 100% compliance of PPR 2008 in both of the organizations.

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Table of Contents

Content	Page
Statement of the Author	i
Abstract	ii-iii
Acknowledgement	iv-v
Table of contents	vi-xvi
List of figures, tables and charts	xvii-xviii
Abbreviations	xix-xx
Operational definitions: PPR 2008	xxi-xxii
Chapter ONE: Introduction	1-7
1.1 Background and context	1
1.2 Statement of the problem	3
1.3 Significance of the proposed study	3
1.4 Research questions	6
1.5 Objectives of the study	6
1.6 Scope of the study	6
1.7 Limitations of the study	6
1.8 Organization/Structure of the study	7
Chapter Two: Literature Review	8-25
2.1 Public Procurement Rules (PPR 2008): An overview	8
2.2 Key Performance Indicator (KPI): Meaning and importance	9
2.3 Compliance, Efficiency, Competitiveness and Transparency : Meaning and significance	10

2.3.1	Compliance	10
2.3.2	Efficiency	10
2.3.3	Competitiveness	10
2.3.4	Transparency	11
2.4	KPIs used in Public Procurement	12
2.4.1	IFTs Publication in widely circulated national/ local newspapers (KPI-1)	12
2.4.2	Publication of IFTs each valued Tk. 10 million and above in CPTU's website (KPI-2)	12
2.4.3	Tenders following GoB Procurement Rules (KPI-3)	12
2.4.4	Tender following Development Partner Rules (KPI-4)	12
2.4.5	Multiple locations submission of tenders (KPI-5)	13
2.4.6	Average number of days allowed to prepare tender for submission (KPI-6)	13
2.4.7	Percentage of tenders having sufficient tender submission time (KPI-7)	13
2.4.8	Average number of tenderers who purchased tender document (KPI-8)	13
2.4.9	Average number of tenderers who submitted tender (KPI-9)	13
2.4.10	Ratio of number of Tender submission and number of tender document sold (KPI-10)	14
2.4.11	Percentage of cases TOC included at least ONE member from TEC (KPI-11)	14

2.4.12	Percentage of cases TEC formed by contract approving authority (KPI-12)	14
2.4.13	Percentage of cases TEC included two external members outside the Ministry or Division (KPI-13)	15
2.4.14	Average number of days between tender opening and completion of evaluation (KPI-14)	15
2.4.15	Percentage of cases tender evaluation completed within timeline (KPI-15)	15
2.4.16	Average number of responsive tenders (KPI-16)	15
2.4.17	Percentage of cases TEC recommended for Re-Tendering (KPI-17)	16
2.4.18	Percentage of cases where tender process cancelled (KPI-18)	16
2.4.19	Average number of days taken between submissions of tender evaluation report and approval of contract (KPI-19)	16
2.4.20	Percentage of tenders approved by the proper financial delegated authority (KPI- 20)	16
2.4.21	Percentage of cases TEC submitted report directly to the contract approving authority where approving authority is HOPE or below (KPI-21)	16
2.4.22	Percentage of contract awards decisions made within timeline (KPI-22)	17
2.4.23	Percentage of cases TER reviewed by person/ committee other than the contract	17
2.4.24	Percentage of Tenders approved by higher tier than the contract approving authority (KPI -24)	17

2.4.25	Average number of days between final approval and Notification of Award (KPI- 25)	17
2.4.26	Average number of days between tender opening and Notification of Award (KPI-26)	18
2.4.27	Average number of days between Invitation for Tender (IFT) and Notification of Award (KPI-27)	18
2.4.28	Publication of contract awards each valued Tk. 10 million and above in CPTU's website (KPI-28)	18
2.4.29	Percentage of contracts awarded within initial tender validity period (KPI-29)	18
2.4.30	Percentage of contracts completed within the scheduled time (KPI-30)	19
2.4.31	Percentage of contracts having liquidated damage imposed for delayed delivery/completion (KPI-31)	19
2.4.32	Percentage of contracts fully completed and accepted (KPI-32)	19
2.4.33	Average number of days taken to release payment from the date of certificate of PM/Engineer (KPI-33)	19
2.4.34	Percentage of cases (considering each installment as a case) with delayed payment (KPI-34)	20
2.4.35	Percentage of contracts where interest for delayed payments was made (KPI-35)	20
2.4.36	Percentage of tender procedures with complaints (KPI-36)	20
2.4.37	Percentage of complaints resulting in modification of award (KPI-37)	20
2.4.38	Percentage of cases complaints have been resolved	20

	(KPI-38)	
2.4.39	Percentage of cases review panel’s decision upheld (KPI-39)	21
2.4.40	Percentage of contract amendments/variations (KPI-40)	21
2.4.41	Percentage of contracts with unresolved disputes (KPI-41)	21
2.4.42	Percentage of cases fraud & corruption detected (KPI- 42)	21
2.4.43	Average number of trained procurement staff in each procuring entity (KPI-43)	22
2.4.44	Percentage of procuring entity which has at least one trained / certified procurement staff (KPI-44)	22
2.4.45	Total number of procurement persons in the organization with procurement training (KPI-45)	22
2.5	Delegation of Financial Powers for Development Projects and Sub-delegation	22
2.6	Procurement Performance against standard KPIs	23
Chapter Three: Methodology		25-27
3.1	Methods of collecting data/Sampling method	25
3.2	Selection of study area	25
3.3	Study period	26
3.4	Sample size	26
3.5	Data processing and analysis/Analytical framework	27

Chapter Four: Results and Discussion **29-50**

4.1	Demographic overview of the respondents	29
4.1.1	Years of experience in public procurement	29
4.1.2	Gender	29
4.1.3	Level of Education	29
4.1.4	Training on public procurement	30
4.2	KPIs related to Invitation for Tender in Public Procurement (KPI: 1-4)	30
4.2.1	KPI-1: Percentage of Invitation for Tender (IFT) published in news paper	31
4.2.2	KPI-2: Percentage of invitation for tender (above threshold) advertise in CPTU’s website	31
4.2.3	KPI-3: Percentage of Tenders following GoB Procurement Rules	31
4.2.4	KPI-4: Percentage of Tenders following Development Partner Rules	31
4.3	KPIs related to Tender Submission (KPI: 5-10)	32
4.3.1	KPI-5: Percentage of Tenders allowed submitting in multiple locations	32
4.3.2	KPI-6: Average number of days between publishing of advertisement and Tender submission deadline	32
4.3.3	KPI -7: Percentage of tenders having sufficient tender submission time	32
4.3.4	KPI -8: Average number of tenderers purchased tender documents	33

4.3.5	KPI -9: Average number of tenderers submitted Tenders	34
4.3.6	KPI -10: Ratio of number of Tender submission and number of Tender document sold	34
4.4	PKIs related to tender opening committee & tender evaluation committee (KPI: 11-13)	34
4.4.1	KPI -11: Percentage of cases TOC included at least ONE member from TEC	34
4.4.2	KPI -12: Percentage of cases TEC formed by Contract Approving Authority	35
4.4.3	KPI -13: Percentage of cases TEC included two external members outside the Ministry or Division	35
4.5	KPIs related to Tender Evaluation (KPI 14-18)	36
4.5.1	KPI -14: Average number of days between Tender opening and completion of evaluation	36
4.5.2	KPI -15: Percentage of cases tender evaluation has been completed within timeline	36
4.5.3	KPI -16: Average number of responsive tenders	36
4.5.4	KPI -17: Percentage of cases TEC recommended for Re-Tendering	37
4.5.5	KPI -18: Percentage of cases where Tender process cancelled	37
4.6	KPIs related to Tender Evaluation Report (TER) (KPI 19-24)	38
4.6.1	KPI -19: Average number of days taken between submission of Tender evaluation and approval of contract	38

4.6.2	KPI -20: Percentage of tenders approved by the proper financial delegated authority	38
4.6.3	KPI -21: Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below	38
4.6.4	KPI -22: Percentage of cases contract award decision made within timeline by contract approving authority after submitting tender evaluation report	39
4.6.5	KPI -23: Percentage of cases TER reviewed by person/ committee other than the contract approving authority	40
4.6.6	KPI -24: Percentage of tenders approved by higher tier than the contract approving authority	40
4.7	KPIs related to contract award (KPI: 25-29)	40
4.7.1	KPI -25: Average number of days between final approval and Notification of award (NOA)	40
4.7.2	KPI -26: Average number of days between tender opening and notification of award	40
4.7.3	KPI -27: Average number of days between invitation for tender (IFT) and notification of award	41
4.7.4	KPI -28: Percentage of Contract awards published in CPTU's website	42
4.7.5	KPI -29: Percentage of contracts awarded within initial tender validity period	42
4.8	KPIs related to Delivery/Completion (KPI 30-32)	43
4.8.1	KPI -30: Percentage of contracts completed/ delivered within the original scheduled time mentioned in the contract	43

4.8.2	KPI -31: Percentage of contracts having liquidated damage imposed for delayed delivery/completion	44
4.8.3	KPI -32: Percentage of contracts fully completed and accepted	44
4.9	KPIs related to Payments (KPI 33-35)	45
4.9.1	KPI -33: Average number of days taken to release payment from the date of certificate of PM/ Engineer	45
4.9.2	KPI -34: Percentage of cases (considering each installment as a case) with delayed payment	45
4.9.3	KPI -35: Percentage of contracts where interest for delayed payments was made	46
4.10	KPIs related to Complaints (KPI 36-39)	46
4.10.1	KPI -36: Percentage of Tender procedures with complaints	46
4.10.2	KPI -37: Percentage of complaints resulting in modification of award	47
4.10.3	KPI -38: Percentage of cases complaints have been resolved	47
4.10.4	KPI -39: Percentage of cases review panel's decision upheld	48
4.11	KPIs related to Contract Amendments (KPI 40)	48
4.11.1	KPI-40: Percentage of contract amendments / variations	48
4.12	KPIs related to Contract Dispute Resolution (KPI 41)	49
4.12.1	KPI -41: Percentage of Contracts with unresolved disputes	49

4.13	KPIs related to Fraud & Corruption (KPI 42)	50
4.13.1	KPI -42: Percentage of cases Fraud & Corruption detected	50
4.14	KPIs related to Procurement Management Capacity (KPI 43-45)	50
4.14.1	KPI -43: Average number of trained procurement staff in each procuring entity	50
4.14.2	KPI -44: Percentage of procuring entity which has at least one trained/ certified procurement staff	51
4.14.3	KPI -45: Total number of procurement persons in the organization with procurement training	52

Content	Page
Chapter Five: Conclusion and Recommendations	54-57
5.1 Conclusion	54
5.2 Recommendations	55
References	58-59
Appendices	56-68
Appendix A Key Performance Monitoring Indicators	60
Appendix B Survey questionnaire	66
Appendix C Compliance Key Performance Indicators (KPI) for PPR 2008	72

List of tables and charts

Tables	Title	Page No.
1.1	RADP allocation of the four targeted organizations for last five years and percentile in terms of Total Development Budget	4
2.1	Performance report for LGED and RHD	23
4.1	Selected characteristics of respondent involved in public procurement	27
4.2	Distribution of respondents in regard to compliance on various KPIs related to Invitation for Tender in Public Procurement	29
4.3	Distribution of respondents in regard to compliance on various KPIs related to Tender Submission in Public Procurement	32
4.4	Distribution of respondents in regard to compliance on various KPIs related to Tender Opening Committee & Tender Evaluation Committee in Public Procurement	35
4.5	Distribution of respondents in regard to Efficiency on various KPIs related to Tender Evaluation in Public Procurement	37
4. 6	Distribution of respondents in regard to Efficiency on various KPIs related to Tender Evaluation Report (TER) in Public Procurement	39
4. 7	: Distribution of respondents in regard to Transparency on various KPIs related to Contract Award in Public Procurement	42
4. 8	Distribution of respondents in regard to Efficiency on various KPIs related to Delivery/Completion in Public Procurement	44
4. 9	Table 4.9 Distribution of respondents in regard to Transparency on various KPIs related to Payments in Public Procurement	46
4.10	Table 4.10- Distribution of respondents in regard to Transparency on various KPIs related to Complaints in Public Procurement	47

Tables	Title	Page No.
4. 11	Table 4.11- Distribution of respondents in regard to Efficiency on single KPI related to Contract Amendment in Public Procurement	49
4. 12	Table 4.12- Distribution of respondents in regard to Efficiency on single KPI related to	49
4.13	Table 4.13-Distribution of respondents in regard to Efficiency on single KPI related to	50
4.14	Table 4.14- Distribution of respondents in regard to Effectiveness on various KPIs	51
4. 15	Table 4.15Comparison of procurement performance between LGED and RHD on different KPIs using compute variables guided by CPTU	53

Abbreviations

AA	: Approving Authority
ADP	: Annual Development Programme
AO	: Authorized Officer
ADR	: Alternative Dispute Resolution
CAA	: Contract Approving Authority
CCGP	: Cabinet Committee on Government Purchases
CIPS	: The Chartered Institute of Procurement and Supply
CPTU	: Central Procurement Technical Unit
DoFP	: Delegation of Financial Power
DPP	: Development Project Proposal
ERD	: Economic Relations Division
GCC	: General Conditions of Contract
GFR	: General Financial Rules
HOPE	: Head of Procuring Entity
ICD	: Intended Completion Date
IMED	: Implementation Monitoring and Evaluation Division
KPI	: Key Performance Indicators
LGED	: Local Government Engineering Department
LTM	: Limited Tendering Method
MoF	: Ministry of Finance

MoP	: Ministry of Planning
NOA	: Notification of Award
OECD-DAC	: Organization for Economic Co-operation and Development- Development Assistance Committee
OTM	: Open Tendering Method
PD	: Project Director
PE	: Procuring Entity
PM	: Project Manager
PPA 2006	: Public Procurement Act 2006
PPR 2008	: Public Procurement Rules 2008.
PPRP II	: Public Procurement Reform Project (Phase II)
RADP	: Revised Annual Development Programme
REB	: Rural Electrification Board
RHD	: Roads and Highways Department
SRGB	: Survey Research Group of Bangladesh
TDS	: Tender Data Sheet
TEC	: Tender Evaluation Committee
TER	: Tender Evaluation Report
TOC	: Tender Opening Committee

Operational Definitions: PPR 2008

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

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

CHAPTER ONE

INTRODUCTION

1.1 Background and context

"**Procurement**" means the purchasing or hiring of Goods, or acquisition of Goods through purchasing and hiring, and the execution of Works and performance of Services by any contractual means. It is a common phenomenon in our everyday life. In case of procurement by public organization it must be abide by some procedure whether it is done the public organization itself or it is used by any other organizations using the public fund, it is termed as **Public Procurement**. Procurement in public organization by using public fund usually different in modality and procedural aspect compared to any private organization or by any individual. But in every case it must follow some process.

In Bangladesh till 2003, there was no standard and legal framework for public procurement. That time General Financial Rules (GFR), Bangladesh had regulated public procurement process. These rules were originally issued during the British period and slightly revised in 1951 under the Pakistani regime. After the independence of Bangladesh, few changes were made to these rules in 1994 and 1999 respectively (Islam, 2011).

Public procurement in Bangladesh has been identified as one of the most important arena that significantly affects public sector performance. As demonstrated slow performance in different development projects in Bangladesh which hindered the targeted achievement, a Country Procurement Assessment (CPA) was undertaken by the World Bank (WB) in 2001 to explore the prevailing Public Procurement Policy, Framework, Institutions and Competence level of the personnel involved in the procurement process. The report of that assessment which is known as CPAR highlighted many discrepancies in the procurement systems followed by the different departments using public fund. The discrepancies includes absence of legal framework governing public sector procurement, Complex bureaucratic procedure causing delay in procurement which leads to time overrun of the development projects, multiple tiers in the approval and review process, Lack of competent personnel to manage public procurement, Generally poor quality bid/tender document and its evaluation process and finally absence of adequate mechanism for ensuring transparency and accountability.

As part of the broad public sector reforms, the government of Bangladesh has undertaken management of implementation challenges aiming towards improvement of performance of public procurement step by step through strengthening overall governance. For achieving this objective, a permanent unit called Central Procurement Technical Unit (CPTU) was established in 2002 under the Implementation Monitoring and Evaluation Department (IMED) of Ministry of Planning. CPTU is an implementing unit in the field of procurement reform and monitoring of reform implementation regarding public procurement. Reform process involves in Public Procurement Regulation-2003, Implementation Procedures for PPR-2003, Public Procurement Processing and Approval Procedures (PPPA). Revised Delegation of Financial Powers (DOFP) and several Standard Tender Documents (STDs)/ Standard Request for Proposal document for processing Goods, Works and Services. Later on a law was enacted and was approved by the Bangladesh National Parliament in 2006 known as The Public Procurement Act (PPA 2006) and based on this act, the Public Procurement Rules (PPR-2008) was established and made effective from 31st January 2008 (Hoque, 2010). It has become mandatory for the government agencies upon issuance of the PPA 2006 and PPR 2008 to follow the Act and Rules in the procurement process of their own. The Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning have been established for carrying out the purposes of Section 67 of PPA 2006 which states as follows:

Section 67: *For carrying out the purposes of the Act, the Government shall, through a Central Procurement Technical Unit or any other unit established by it relating to procurement monitoring, coordination and management, perform the following responsibilities, namely –*

- a. Providing for monitoring compliance with and implementation of this Act through the authority as designated by the Government;*
- b. Arranging for performance of the necessary functions and responsibilities incidental thereto, through the authority as designated by the government and*
- c. Performing any other responsibilities as prescribed.*

To provide for monitoring compliance with implementation of this Act and Rules, the government of Bangladesh has undertaken Public Procurement Reform Project II (PPRP II) in 2009. The aim of project is to progressively improve the performance of public procurement system in Bangladesh, focusing largely on the target agencies, namely

Bangladesh Water Development Board (BWDB), Roads and Highways Department (RHD), Local Government Engineering Department (LGED) and Rural Electrification Board (REB). Among the four components of PPRP II, the **Second** one is the strengthening procurement management at sectoral/agency level and CPTU to develop an MIS system for reporting procurement activities and M&E system for monitoring the compliance of PPA 2006 and PPR 2008 by the target agencies in the light of 45 predetermined Key Performance Indicators (KPIs) (**Appendix A**). The KPIs were developed taking cognizance of the OECD-DAC¹ indicators within the overall framework of the PPA/PPR and its features within the local context.

1.2 Statement of the problem

IMED's present allocation of business covers undertaking implementation monitoring and evaluation tasks but not monitored and evaluated on the basis of any performance monitoring indicators adopted by CPTU. To monitor these KPIs for the four selected government organizations on pilot basis: LGED, RHD, REB and BWDB, CPTU has appointed a consulting firm name Survey Research Group of Bangladesh (SRGB) for monitoring and submitting report on quarterly basis for a specific period of time from April 2010- June 2012. The final report of SRG Bangladesh reported that procurement performance of the targeted agencies have been improving progressively over the time. This reporting system is not in active right now. So, no readymade information for comparing with the research outcome will be possible. But research results could be compared with the SRG Bangladesh reported in their final report. So, this would be necessity to have an independent study to compare the procurement performance of LGED with RHD the two target agencies; in terms of efficiency, competitiveness, compliance and transparency. Increasing efficiency will ensure the value for money and transparency will ensure the good governance of the public procurement.

1.3 Significance of the proposed research

Transparency, efficiency competitiveness and compliance are the major classification under broad head of the adopted KPIs by CPTU for measuring public procurement performance for the targeted agencies. However, these KPIs can be equally applicable for any other public

¹Organization for Economic Cooperation and Development-Development Assistance Committee

organizations in Bangladesh. Amongst these categories Efficiency and Transparency are the most important groups to measure the public procurement performance which ensure less cost while maintaining the quality standard by reducing waste and transparency will ensure the commitment towards governance and assisting accountability for the public procurement.

Among the four targeted organizations LGED and RHD are the two organizations involved in similar nature of work (though there is great difference exist). The **Table-1** shows the organization wise allocation and percentage in terms of Total ADP/RADP allocation of the four targeted organizations over the five years.

Table-1.1: RADP allocation of the four targeted organizations for last five years and percentile in terms of Total Development Budget

(Figure in Lakh Taka)

Financial Year	Name of the Organization	Number of Project	ADP/RADP Size	Organizations wise Allocation	% of ADP/RADP Allocation
2014-2015	LGED	88	7784100	1483946	19.06
	RHD	117		214098	5.05
	REB	05		393091	2.85
	BWDB	60		221716	2.75
2013-2014	LGED	100	6000000	579219.00	9.65
	RHD	145		344761.00	5.75
	REB	10		173952.00	2.90
	BWDB	74		210863.00	3.51
2012-2013	LGED	87	5236600	562718.00	10.75
	RHD	152		332944.00	6.36
	REB	11		202987.00	3.88
	BWDB	71		182669.00	3.49

Financial Year	Name of the Organization	No of Project	ADP/RADP Size	Organizations wise Allocation	% of ADP/RADP Allocation
2011-2012	LGED	82	4108000	426797.00	10.39
	RHD	169		221287.00	5.39
	REB	11		62244.00	1.52
	BWDB	75		165262.00	4.02
2010-2011	LGED	74	3588000	379388.00	10.57
	RHD	152		195806.00	5.46
	REB	9		60790.00	1.69
	BWDB	79		150097.00	4.18

Note: [1 Lakh Taka (BDT) = 0.1 Million Taka (BDT)]

Source: (1) Programming Division, Planning Commission

(2) Implementation Monitoring and Evaluation Division, Ministry of Planning.

The figures included both GoB and foreign Assistance. On an average about 80% of the ADP/RADP allocation are spent through these projects for procuring of Goods, Works and Services which are administered by PPA 2006 and PPR 2008 (Rahman, 2014). For this reason, it seems to be a good consideration choice to have a deep look on the efficiency competitiveness, compliance and transparency issues of public procurement in only two organizations LGED and RHD and compare their performance, keeping in mind the time and other resource constraints. Even 1% increase in efficiency will save a huge amount of public expenditure and increase in transparency will attract and ensure more foreign investors/foreign assistance, which will be ultimately improve the credibility of the public procurement performance leading to achieve 7th Five Years Plan objectives as well as Perspective Plan of Bangladesh and Vision -2021.

1.4 Research Questions

This study is aims to know the extent of compliance of PPR 2008 by RHD's and LGED's procurement activities. Also it is intended to know the hindrances which have been faced by LGED and RHD while complying with the rules of PPR 2008. Thus, the research questions for the present study are:

- i) *Who is performing better LGED or RHD in terms against standard KPIs of following KPIs set by CPTU for their procurement practice?*
- ii) *What are the legacies of LGED and RHD in terms following compliance of KPIs?*

1.5 Objectives of the Study

The objectives of the present study are as follows:

- i) To find out the extent of compliance of PPR 2008 by LEGD and RHD.
- ii) To find out the gap of compliance and scope of improvement for implementation of PPR 2008 in LGED and RHD.

1.6 Scope of the Study

Under the supervision of the Project Implementation Support Consultant appointed to LGED and RHD on behalf of CPTU, the procuring entities were carrying out the monitoring and evaluation of their procurement performance in accordance with the set KPIs for the project period. But beyond that no formal monitoring was carried out. So, an independent study is intended to find out the gap of compliance of PPR 2008 in LGED and RHD through this research. This study is such an approach for ascertaining the facts in LGED and RHD.

1.7 Limitations of the study

The limitations of this study have come from both its scope and its methodology. Survey was confined to LGED and RHD Head Quarter and Dhaka Office. But few respondents were given their opinion through e-mail. The questionnaire was sent to them via e-mail and received their opinion via email. The respondents were selected mainly from the

organization's head office of Dhaka city in different categories like Assistant Engineer, Senior Assistant Engineer, Executive Engineer and Superintendent Engineers those were usually given responsibilities of Project Management keeping in mind the gender balance as much as possible. On the other hand, officers were selected on the basis of researcher's convenience. Most of the respondents had gathered different types of experiences in different projects; sometimes experiences were not generalized rather project-specific. This issue had come across during the interviews. Also the officers were requested to give answers based on their own perception. As the perceptions on situation varied from person to person, this may have been a major limitation of the study.

1.8 Organization/Structure of the study

The study has been comprised in six broad headings: Introduction, Literature Review, Methodology, Results and Discussion, Conclusion and Recommendations and References.

Introduction chapter, the areas which have been covered are the background and context, problem statement, significance, research questions, objectives, scopes and limitations of the study.

The second chapter; **Literature Review** starts with a brief view on PPR 2008, Key Performance Indicators (KPI) and Compliance followed by a thorough review of the compliance KPIs as set for the monitoring of PPR 2008. Also, a review of the Delegation of Financial Powers (DoFP) and quarterly and half-yearly reports of LGED, RHD and SRGB have been stated here.

In the **Methodology** chapter which is the third chapter, sampling method, selection of study area, study period, sample size and data processing & analytical framework of the study have been described.

The **Results and Discussion** chapter starts with the demographic overview of the respondents followed by an overview of the survey questionnaire. Then the findings of the questionnaire survey have been presented with an analysis and in-depth discussion.

Thereafter, **Conclusion** of the study has been drawn with some specific recommendations. Finally, **References and Appendices** have been stated for a clear understanding of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Public Procurement Rules (PPR 2008): An overview

Public Procurement Rules (PPR) 2008 was framed by the Government of People's Bangladesh under the Public Procurement Act (PPA) 2006 which came into effective on January 31, 2008. The main objective of enacting PPA 2006 & introducing PPR 2008 was, generally, of achieving value for money, ensuring transparency, accountability, fair treatment in all public procurement throughout the public sector organizations of our country.

There are 130 Rules in PPR 2008 under nine chapters. Most of the Rules have several Sub-Rules. In chapter one, there are 3 Rules (Rule 1 to Rule 3) where preliminary issues like definition of key terms, scope and application of the Rules are given. There are 9 Rules (Rule 4 to Rule 12) in chapter two. Guideline for preparation of Tender or Proposal document, constitution of different committees for disposal of Tender or Proposal are given in this chapter. In chapter three, principles of public procurement is given. This is a very big chapter divided into twelve parts. There are total 48 Rules (Rule 13 to Rule 60) under chapter three where, among others, procedure for preparation of technical specification, preparation of terms of reference, procedure for rejection of Tender, Approval procedure of Tender, Contract administration and management are described. Rule 61 to Rule 89 constitutes chapter four where methods of procurement for goods and related services, works, physical services and their use are given. Processing of procurement including advertisement, pre-qualifications, processing of Tenders etc. are given in chapter five where there are 13 Rules (Rule 90 to Rule 102). In chapter six, guideline for procurement of intellectual and professional services is given where there are 24 Rules (Rule 103 to Rule 126). Rule 127 and Rule 128 constitute chapter seven and chapter eight respectively. Professional misconduct is described in chapter seven and E-government procurement is described in chapter eight. In chapter nine, miscellaneous issues are described where there are 2 Rules (Rule 129 and Rule 130)

As a part of literature review, the PPA 2006 and PPR 2008² with all amendments have been studied thoroughly. The rules which seemed as the basis of compliance KPIs were reviewed keenly.

2.2 Key Performance Indicator (KPI): Meaning and importance

Key Performance Indicators, also known as KPI or Key Success Indicators (KSI), help an organization to define and measure progress toward organizational goals. These KPIs are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. Once an organization has analyzed its mission and objectives, identified all its stakeholders, and defined its goals, it needs a way to measure progress toward those goals.

KPIs allow an organization to adequate measures of performances from the standardized activities. Importance of performance measuring is very significant, which also can be found in a proverb: *“If you want to improve something, you have to measure it”*, and another proverb: *“What get measured gets corrected”*-according to CIPS course guide book. Continual measuring is a base for continual improvements of organization performances which is one of the most important management principles.

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

Moreover, CPTU has classified these 45 KPIs into 13 broad categories. These are (i) Invitation for Tender (IFT), (ii) Tender Submission, (iii) Tender Opening Committee (TOC) and Tender Evaluation Committee (TEC), (iv) Tender Evaluation, (v) Approval of Tender Evaluation Report (TER), (vi) Contract Award, (vii) Delivery/ Completion, (viii) Payments,

²Operational definitions of PPR 2008 are given before the introduction

(ix) Complaints, (x) Contract Amendments, (xi) Contract Dispute Resolution, (xii) Fraud and Corruption and (xiii) Procurement Management Capacity.

2.3 Compliance, Efficiency, Competitiveness and Transparency: Meaning and significance

2.3.1 Compliance means the act adhering to, and demonstrating adherence to, a standard or regulation. In the context of procurement, compliance is the state of being in accordance with the relevant policies, rules and regulations. Compliance indicates to what extent the procuring entities adhere to the procurement rules and procedures specified in the PPA 2006 and PPR 2008. The level of adherence to government procurement rules attained by the procuring entities has been shown in **Appendix B**.

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

2.3.3 Competitiveness in public procurement is manifested by the degree of interest and willingness of the tenderers to participate in tenders. Competition is the most important factor to bring down the procurement cost. Competition has, therefore, a very positive role in the public tenders of Bangladesh. Wider dissemination of tender information increases competition, transparency and accountability. To attract the prospective tenderers, the tender notices should be distributed widely and the cost of tender documents should be kept low, so that the cost of entry for the potential tenderers may be the minimum. The notices of public tenders should be published in the national newspapers rather than in local ones. E-tendering of e-procurement can cause wider, effective as well as quicker dissemination of tender

information, Allowing longer periods of preparation of tenders encourages the potential tenderers to participate in the tenders. According to the procurement guidelines (PPR 2008 and Development partner's Procurement Guidelines), it is important to allow sufficient time to the tenderers for preparing the tenders. Packaging of tenders is also an important element to influence the tenderers entry and tendering decision. Capacity of the tenderers in terms of possessing appropriate equipment, capital, management skills, etc. restricts the tenderers to compete in big size tenders. The number of tenderers competing for a work is inversely proportional to the value and sophistication of the work for which tender is invited. Also, the number of tenderers competing in a tender valued less than Tk. 20 million is normally larger than the number of tenderers competing in a tender valued above Tk. 20 million.

Competition also measures the level of determination and seriousness of the tenderers in winning the tender. Stronger willingness leads the tenderers to purchase the tender documents, while firmer determination leads the tenderers to participate and submit tender and seriousness encourages them to comply with and fulfill all the prerequisites of the tender. The number of participants in a tender, demonstrate the degree of competitiveness. The four KPIs that measure competitiveness in procurement are: (i) average number of days allowed to prepare tender for submission (KPI-6) (ii) average number of tenderers who purchased tender document (iii) average number of tenderers who submission tender (KPI-9) and (iv) average number of responsive tenders (KPI-16).

2.3.4 Transparency in the public procurement is a vital and very sensitive issue. The government is the largest purchaser of goods, works and services. There are national as well as international rules for procurement by the government agencies which sets the standards of Transparency and non-discriminatory treatment of contractors engaged for procurement of goods, works and services under the financial arrangement of GOB and the development partners. Lack of Transparency in government procurement favours inefficient companies by discriminating the good companies. A closed and/ or opaque procurement system can create opportunities for corruption and wastage. The government agencies should, therefore, ensure (i) publication of tender notice in well circulated national and local newspapers allowing a minimum number of days for submission of tender from the date of publication of the IFT as per the rules of PPR 2008 and/or of the funding agencies (KPI-1), (ii) publication of IFTs

each having an official estimated cost of Tk. 10 million and above in CPTU's website (KPI-28).

2.4 KPIs used in Public Procurement

2.4.1 IFTs Publication in widely circulated national/ local newspapers (KPI-1)

It demonstrates whether the procuring entities published all of their IFTs under the Open Tendering Method (OTM) in a minimum of two widely circulated national newspapers. The analysis of data collected from the procuring entities found by SRGB for a particular period demonstrates whether they published 100% of their IFTs in widely circulated national/local dailies to encourage the potential and interested tenderers to participate in the tenders.

2.4.2 Publication of IFTs each valued Tk. 10 million and above in CPTU's website (KPI-2)

According to the provisions of PPR 2008, the government procuring entities are required to publish all of their IFTs valued Tk. 10 million and above in CPTU's website. So, the analysis of data collected from the procuring entities demonstrates to what extent they abided by this mandatory rules of the government.

2.4.3 Tenders following GoB Procurement Rules (KPI-3)

According to the provisions of PPR 2008, the government procuring entities are required to follow the rule of the government. Sometimes the procuring entity had to follow the development partner's procurement rule if mentioned in the prodoc or project document.

2.4.4 Tender following Development Partner Rules (KPI-4)

PPR 2008 also allow to follow the development partner's procurement rules if mentioned in the prodoc or project document. Usually it do not necessarily above any threshold limit. The respondents were asked to provide information both in LGED and RHD from their perception about the Percentage of Tenders following Development Partner Rules.

2.4.5 Multiple locations submission of tenders (KPI-5)

Initially both for GoB and Development Partners funded procurement has the option to ensure the more participation in tender to avoid cartels. Its implementation was also proved difficult. Both LGED and RHD they practice this rule in case by case basis. And now for the Development Partners funded procurement they used to follow the single point dropping of tenders.

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

According to PPR 2008 and Development Partners' Procurement Guidelines, it is very important to allow sufficient time to the prospective tenderers to prepare their tenders against an IFT. Allowing a longer period for preparation of tenders encourages the potential tenderers to participate in the tender creating a congenial environment for higher competition. Therefore, the number of days allowed by a procuring entity from the date of publication of an IFT for preparation and submission of tenders by the potential tenderers indicates the expected level of competition. This has been clearly explained in Schedule II of PPR 2008. According to the provisions of PPR 2008, the allowable maximum time between publishing of an Invitation for Tender (IFT) and tender submission deadline depends upon the estimated value of the IFT. In general, it is minimum 14 days and maximum 28 days. However, for an emergency, time can be reduced to 10 days (in case of OTM) to 7 days (in case of LTM).

2.4.7 Percentage of tenders having sufficient tender submission time (KPI-7)

This indicator is for assessing transparency and complains in public procurement. The tenderers should be given sufficient time to prepare the tender by the tenderers. PPR 2008 specified different times for different types of procurement. The effectiveness of this KPI can be guessed from the application for increasing the tender submission deadline by the prospective tenderers.

2.4.8 Average number of tenderers who purchased tender document (KPI-8)

The number often refers purchasing a tender document in the primary indication of the degree of competition expected in tender. So, the higher is the number of tenderers that purchased

tender document against an IFT, the higher is the expected degree of competition in the tender. More participation ensures value for money of public funds.

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

The level of determination and seriousness of the tenderers for winning a tender is considered as a measure of competition. Stronger willingness of the tenderers motivates them to purchase the tender documents; while firmer determination leads them to participate and submit tenders complying and fulfilling all the prerequisites of the tender. Therefore, the number of tenderers submitted tender also indicates the expected level of competition in the tender.

2.4.10 Ratio of number of Tender submission and number of tender document sold (KPI-10)

It is expected by the procuring entity that all the tender document sold should be submitted to ensure competition and transparency. The more the value of ratio more better result can be achieved.

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

Rule 7 of PPR 2008 expresses how the Tender Opening Committee (TOC) will be formed and this is the base for KPI 11. According the to the provision of Rule 7, there should three members in the TOC one of them must be from Tender Evaluation Committee (TEC) and two others from concerned procuring entity and other organization.

2.4.12 Percentage of cases TEC formed by contract approving authority (KPI-12)

Formation of TEC by the Contract approving authority is a standard practice in public procurement. But variation of this can also exist in case of special circumstances. Usually, in case of variation TEC formation is done by the authority higher than the contact approving authority.

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

Percentage of cases TEC included two external members outside the Ministry or Division (KPI 13) is adhered to Rule 8 which has explained in Schedule II of PPR 2008. As per provision of Rule 8, TEC should be constituted with minimum five (5) and normally not exceeding seven (7) members, two (2) of whom at least shall be from outside the Ministry or Division or agencies under it. However, for low value procurement, TEC should be formed with minimum three (3) members, one (1) of whom shall be from other agency or procuring entity.

2.4.14 Average number of days between tender opening and completion of evaluation (KPI-14)

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

2.4.15 Percentage of cases tender evaluation completed within timeline (KPI-15)

PPRP-2008 has provided specific time limits for completion of evaluation tenders by the tender committees separately for the tenders each valued up to Tk. 20 million and above Tk. 20 million. The analysis of data collected in this regard from the procuring entities, therefore, indicates to what extent they have been able to complete evaluation of their tenders within the specified timelines.

2.4.16 Average number of responsive tenders (KPI-16)

Responsiveness of a tender is entirely dependent upon fulfilling all the prerequisites mentioned in the tender document which again is dependent upon the degree of willingness and capacity of the tenderers who submitted tender. A non-responsive tender reduces competition. Therefore, the higher the number of responsive tenders, the high is the level of competition. The tenderers should also be known about the PPA 2006 and PPR 2008 as like by the government officials for procurement using public fund.

2.4.17 Percentage of cases TEC recommended for Re-Tendering (KPI-17)

Re tendering is not expected in public tendering process. The re-tendering process took higher time to complete the procurement. It also hampered the project progress as planned. It might be the cause of poor specification prepared by the PE or because of the negligence of the tenderer. The lesser the percentage indicates the better efficiency. Sometimes in spite of sufficient care being taken by the tenderer, the PE is compelled to go for re-tendering.

2.4.18 Percentage of cases where tender process cancelled (KPI-18)

The reasons for cancellation of tender process might vary from organization to organization and also depends on time. If the HOPE or PE understand that the tender process did not follow the rules and regulations specified by the PPA(2006) and PPR(2008) and this will not ensure value for money, it is better to cancel the whole tender process, that will ensure transparency.

2.4.19 Average number of days taken between submissions of tender evaluation report and approval of contract (KPI-19)

This KPI is also concerned with Rule 14 and 36 of PPR 2008. Depending on CAA, it varies from one (1) week (for PD, PM or AO) to two (2) weeks (HOPE, Ministry, CCGP).

2.4.20 Percentage of tenders approved by the proper financial delegated authority (KPI- 20)

Rule 36 also explains that Delegation of Financial Powers (DoFP) issued by Finance Division, Ministry of Finance (MoF) should be followed in case of approval of procurement/tender. This is a vital issue of ensuring transparency in procurement and has been the base for KPI 20.

2.4.21 Percentage of cases TEC submitted report directly to the contract approving authority where approving authority is HOPE or below (KPI-21)

Where the Approving Authority is at the level of the Head of a Procuring Entity or Project Director (PD), Project Manager (PM), or an authorized officer (AO) as per DoFP, it is the

rule to submit the Tender Evaluation Report (TER) by the TEC directly to the Head of the Procuring Entity (HOPE) or the Project Director, Project Manager, or the authorized officer for approval [Rule 36(3)]. This is the basis of KPI 21 which has been fixed for compliance monitoring of PPR (2008).

2.4.22 Percentage of contract awards decisions made within timeline (KPI-22)

PPR-2008 has also provided specific time limits for making contract award decisions separately for the contracts each valued up to Tk. 20 million and above Tk. 20 million. The PEs are usually tried to make it within stipulated timeframe. Still then in some cases it took more time specially where the decision depends beyond the PEs control.

2.4.23 Percentage of cases TER reviewed by person/ committee other than the contract approving authority (KPI-23)

This indicator indicates how frequently the TER reviewed either by a person or by constituting a committee. Review may be necessary for various reasons including complaint received, ensuring reliability of the committee and so on.

2.4.24 Percentage of Tenders approved by higher tier than the contract approving authority (KPI -24)

As per delegation of financial power threshold has been circulated to approve the tender of different categories. Still then due to bureaucratic practice some tender need to be approved by the higher authority than the authorized entity. This practice need to be stopped to reduce the time to complete the procurement cycle as well as increase the efficiency.

2.4.25 Average number of days between final approval and Notification of Award (KPI- 25)

This indicator originated from Rule 36 (4) which has been described in Schedule II of PPR 2008. It is generally within seven (7) working days of receipt of the approval but before expiry of the tender or proposal validity date. This has been carefully noticed in compliance monitoring of PPR 2008. Most of the PE try to comply this KPI.

2.4.26 Average number of days between tender opening and Notification of Award (KPI-26)

There are several steps need to complete from tender opening to notification of award. Delay in one or more than one steps will supplement the total delay in procurement process. This indicator is useful to measure the efficiency of the PE.

2.4.27 Average number of days between Invitation for Tender (IFT) and Notification of Award (KPI-27)

This indicator involved one more step to issue NOA against the competent tenderer compared to KPI-26. The performance of the procuring entity utilizing this KPI would measure the Compliance as well as efficiency. The less time require will have the better efficiency.

2.4.28 Publication of contract awards each valued Tk. 10 million and above in CPTU's website (KPI-28)

According to the provisions of PPR 2008, the government procuring entities are required to publish all of their contract awards each valued Tk. 10 million and above in CPTU's website. Therefore, the analysis of data demonstrates to what extent this mandatory rule of the government has been followed.

2.4.29 Percentage of contracts awarded within initial tender validity period (KPI-29)

A contract is required to be awarded to the selected tenderer obviously within the initial validity period of the relevant tender, as otherwise the selected tender may refuse to accept the award creating many complicacies. Awarding of a contract within the initial period of the relevant tender is one of the main yardsticks of measuring the efficiency of the concerned TOC, TEC and CAA. Therefore, analysis of the data collected in this regard from the procuring entities reveals how efficient they have been to award a contract to the selected tenderer within the initial validity period of the relevant tender.

2.4.30 Percentage of contracts completed within the scheduled time (KPI-30)

Any contract is expected to be completed within the scheduled time, as otherwise many complications including cost over-run, reputation loss, legal complication may arise. Completing a contract within the scheduled time is the main yardstick to measure the contract management capacity of the concerned procuring entity as well as the contractor. Therefore, analysis of the data collected in this regard from the procuring entities reveals how efficiently they have been able to manage the relevant contract and the contractor.

2.4.31 Percentage of contracts having liquidated damage imposed for delayed delivery/completion (KPI-31)

As per Rule 39 (27), the contractor shall be liable to pay liquidated damages at the rate per day or week as specified in the contract for each day of delay from the Intended Completion Date (ICD) of the original contract or extended completion date provided that the total amount of liquidated damages shall not exceed the amount defined in the contract. On the basis of this, KPI 31 has been formulated for studying compliance of PPR 2008.

2.4.32 Percentage of contracts fully completed and accepted (KPI-32)

This KPI is used to measure the procurement performance of the PE's efficiency and effectiveness. The expenditure incurred for procurement need to be effective to ensure value for money of the public fund. Due to various reasons the contract could not be completed fully as designed. If contract could not be completed fully as per design it should be revised as per prevailing situation with both parties consent.

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

As a measure of compliance monitoring of PPR 2008, KPI-33 has been taken under consideration. This KPI-33 has been formulated from Rule 39(22). It has been specified that the Procuring Entity shall pay the contractor's bill certified by the Project Manager (PM) within twenty eight (28) days of the Project Manager's issuing a certificate of completion. The less the days taken will facilitate the contractor and also worked as a motivating tool for contractor.

2.4.34 Percentage of cases (considering each installment as a case) with delayed payment (KPI-34)

The contractor need payment on time after completing the contract and accepted by the PE. But sometimes it becomes delayed to make payment to the contractor after fulfilling the all relevant requirement and submitting the papers on due time due to non-availability of fund on time or shortage of fund due to lack of planning and arranging the fund.

2.4.35 Percentage of contracts where interest for delayed payments was made (KPI-35)

Payment of interest is a mandatory requirement of PPR 2008. It is a right to get if not paid as scheduled during contract or any revised contract between the parties. As a compliance monitoring, it has been looked for whether interest were paid for the delayed payment or not. KPI 35 was solely developed for this to motivate the contractor. STD allow this sort of mechanism to minimize the cost of finance of the contractor.

2.4.36 Percentage of tender procedures with complaints (KPI-36)

Sometimes there are complaints arose due to mishandling of the contract either because of the PE or the contractor or other stakeholders. Any complaint is responsible for the delay which hampered smooth implementation of the procurement activities.

2.4.37 Percentage of complaints resulting in modification of award (KPI-37)

If there are complaints arose due to either party's interest it should be resolved to make the contract effective. For effective contract management it needs to modify the contract with the consent of both parties.

2.4.38 Percentage of cases complaints have been resolved (KPI-38)

The complaints rose by any party need to be resolved at early at possible without further escalation. It would be better to solve at the initial level. The complaints should resolved through ADR method to avoid litigation. Litigation took long time and it is expensive also. It also hampered the reputation of both parties and relationship also affected between the parties involved in the procurement process.

2.4.39 Percentage of cases review panel's decision upheld (KPI-39)

As part of Alternative Dispute Resolution (ADR) many contract's dispute to be finalized by the review panel as mentioned in the PPR (2008) as well as in the contract document. If the decision of the panel is not accepted by the either party it can sue in the court for mitigation of the complaints. Litigation process involved much time and it is expensive. Moreover, the reputational loss and relationship damage may also need to be thought by the both parties.

2.4.40 Percentage of contract amendments/variatioins (KPI-40)

If the procuring entity initially would not be able to specify the work or services to be procured under the contract or there rose necessity to change the scope of the contract it would create necessity to amend or need variatioins to be made to fulfill the requirements. Sometimes the initial contract could not cover the actual demand of the PE due the various reasons especially when the performance specifications and BOQ method were used.

2.4.41 Percentage of contracts with unresolved disputes (KPI-41)

Sometimes contract manger of the PE could not be able to resolve the disputes in spite of trying to mitigate the problems. This sort of situation is not desirable to any procuring entity. Still there might be a possibility to have any disputes without being solved because of either party's fault or negligence.

2.4.42 Percentage of cases fraud & corruption detected (KPI-42)

To ensure value for money, fraud and corruption need to be avoided or controlled properly by ensuring transparency in procurement activities. It can happen from both party and not desirable to anyone in usual course of procurement. Any party undergone with fraud/corruption hampered the procurement. The transparency of both the parties can ensure the protection of fraud/corruption. Also good governance of the PE's could prevent fraud/corruption. There should be a joint campaign to prevent fraud/corruption.

2.4.43 Average number of trained procurement staff in each procuring entity (KPI-43)

The procurement entity having personnel with proper training on procurement will ensure the better performance of the PE and can manage the contract with better efficiency and able to ensure the effectiveness of the procurement. The more trained personnel on procurement will ensure better practice of PPA and PPR in any organization. It would be better to organize/declare a prize for the best procurement officer as recognition in the organizational culture.

2.4.44 Percentage of procuring entity which has at least one trained / certified procurement staff (KPI-44)

The PE having no trained personnel on procurement would suffer in compared to that PE having at least one trained personnel in procurement. Though the selected two organizations are being the targeted agency of the CPTU, some PE may not have the trained procurement personnel due to new recruitment. But this is the management competency of that PE to ensure at least one trained procurement staff should be arranged at each procuring entity. Unless otherwise the dispute will arise and value for money would not be achieved.

2.4.45 Total number of procurement persons in the organization with procurement training (KPI-45)

The more personnel having procurement training in any organization will ensure good procurement practice and also ensure value for money especially in the public sector. If all the members of the procurement team having the training on procurement it will ensure the good practice of PPR and feedback from the practitioners will help the government to modify the Act and Rules as necessary for ensuring better value for money as well as to increase the effectiveness of the procurement activities.

2.5 Delegation of Financial Powers for Development Projects and Sub-delegation

Delegation of Financial Powers (DoFP) and sub-delegation thereof are important document closely linked to the PPR 2008. These documents have been issued by the Finance Division of the Ministry of Finance, Government of the People's Republic of Bangladesh. As a part of literature review of the present study, Delegation of Financial Powers has been carefully

studied and found out the contract approval capacity of different managers such as Project Director (PD), Head of Procuring Entity (HOPE), Ministry, CCGP etc.

2.6 Procurement Performance against standard KPIs: SRGB measured the procurement performance of both LGED and RHD along with REB and WDB. For the comparison of the procurement performance measured by SRGB with the findings of this study will have a significance importance as the consultancy services provided by the SRGB have not been continued after December 2012. The final report of SRGB (2013) published the following information:

Table 2.1: Performance report for LGED and HRD

KPI Numbers	Performance of LGED	Performance of RHD
KPI-1	100%	100%
KPI-2	94%	88%
KPI-3	60%	90%
KPI-4	40%	10%
KPI-5	97%	99%
KPI-6	26	20
KPI-7	95%	84%
KPI-8	9	10
KPI-9	5	7
KPI-10	0.67	0.68
KPI-11	98%	100%
KPI-12	98%	96%
KPI-13	100%	100%
KPI-14	12	13
KPI-15	82%	66%
KPI-16	4	6

KPI Numbers	Performance of LGED	Performance of RHD
KPI-17	0.5%	-
KPI-18	-	-
KPI-19	9	8
KPI-20	86%	96%
KPI-21	82%	80%
KPI-22	68%	69%
KPI-23	2.5%	5.59%
KPI-24	8.2%	8.4%
KPI-25	6	6
KPI-26	37	31
KPI-27	62	53
KPI-28	68%	78%
KPI-29	99%	95%
KPI-30	38%	59%
KPI-31	0%	0%
KPI-32	100%	100%
KPI-33	7	9
KPI-34	7.1%	8.6%
KPI-35	0%	0%
KPI-36	-	0%
KPI-37	-	-
KPI-38	-	-
KPI-39	-	-
KPI-40	-	-

KPI Numbers	Performance of LGED	Performance of RHD
KPI-41	-	-
KPI-42	-	-
KPI-43	632	370
KPI-44	90%	74%
KPI-45	878	395

CHAPTER THREE

METHODOLOGY

3.1 Methods of collecting data/Sampling method

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

The questionnaire was used for this study which is given in the **Appendix B**. The questionnaire survey was adopted for collecting primary data from different stakeholders related to procurement activities of LGED and RHD having an acquaintance with PPA 2006 and PPR 2008. Before asking for filling the questionnaire, the general idea of the research objectives were exchanged with them. After the exchange of general idea of the research objectives, the questionnaire was given to them. They were requested to fill the questionnaire based on the practical experience they had regarding compliance issues of PPR 2008 in LGED and RHD based on KPIs in Questionnaire. Both open end and close end questions were set in the questionnaire to reveal the real perception of the respondents. A 5-point Likert scale was set to measure the responses against all KPIs.

For key informant interviews, few senior officers of LGED, RHD and IMED were interviewed. They were asked to give their perception in respect of performance on KPIs.

3.2 Selection of Study Area

Due to time constraint and convenience of the present study, LGED and RHD head quarters and Dhaka office were selected for collection of data in the questionnaire in addition to few respondent provide data through e-mail. Also, data for questionnaire was were collected from

the Office of the Executive Engineer, LGED and RHD, Dhaka. The study was mainly focused on procurement practices of the on-going development projects of LGED under ADP 2014-2015; especially those which are in the middle stage of their implementation were considered for the study, but some procurement information were collected from projects which ended in June 2016. Newly started project where procurement activities is slowly or has not yet started were excluded from the study to get more reliable data.

3.3 Study Period

Survey was conducted at different offices like LGED, RHD, Planning Commission, IMED, and TEC members of LGED and RHD Dhaka, Bangladesh from 05 August 2014 to 30 November 2014.

3.4 Sample Size

For Questionnaire, the respondents were categorized as i) LGED's and RHD's employee, ii) TEC Members, iii) Persons who are dealing with LGED's and RHD's projects such as officers of IMED, Planning Commission. As there are numerous people are concerned with LGED's and RHD's procurement activities, a total of 30 +30 =60 different officers were interviewed with Questionnaire.

3.5 Data processing and Analysis/Analytical Framework

As a means of processing, collected data have been cleaned, edited, arranged and coded before statistical analysis. The main statistical analytical tool used in this study was Statistical Package for Social Science (SPSS) to analyze and interpret the subject matter of the study. 5-point Likert scale was used in the questionnaire to categorize the answers for easy analysis. Frequency distribution table chi-square and central tendency test have been done to see the findings of the sample.

Microsoft Excel has been used for preparing the frequency table & other tables. Microsoft Word has been used for preparing the report.

CHAPTER FOUR

Results and Discussion

The purpose of this study is to find out the extent of compliance against various standard KPIs of PPR 2008 by LEGD and RHD in its procurement activities. The demographic characteristic of respondents is presorted in table 4.1.

Table 4.1 Selected characteristics of respondent involved in public procurement

Item	Category and scoring system	Respondents (N=30+30=60)		Mean	SD	Chi-Sq. (Asym. Sig.)	Observed range (Possible)
		No.	%				
Years of Job Experience in PP (years) LGED	Young (≤ 10)	05	16.67	2.27	0.740	3.800 (0.150)	3-28
	Mid level (11-20)	11	36.67				(unknown)
	Senior (≥ 21)	14	46.67				
Years of Job Experience in PP (years) RHD	Young (≤ 10)	10	33.33	1.90	0.759	1.800 (0.407)	5-25
	Mid level (11-20)	13	43.33				(unknown)
	Senior (≥ 21)	07	23.33				
Gender LGED	Male (1)	21	70.00	1.30	0.466	4.800 (0.028)	1 or 2
	Female (2)	09	30.00				(1 or 2)
Gender RHD	Male (1)	28	93.33	1.07	0.254	22.533 (0.000)	1 or 2
	Female (2)	02	6.67				(1 or 2)
Level of education LGED	Engineering Graduate (1)	19	63.33	1.43	0.568	14.600 (0.001)	1-3
	MS/MBA (2)	10	33.33				(1 -3)
	Professional degree (3)	1	3.33				
Level of education RHD	Engineering Graduate (1)	15	50.00	1.63	0.718	6.200 (0.045)	1-3
	MS/MBA (2)	11	36.67				(1 -3)
	Professional degree (3)	4	13.33				
Training on Public procurement LGED	Yes (2)	29	96.67	1.93	0.254	22.533 (0.000)	1 or 2
	No (1)	1	3.33				(1 or 2)
Training on Public procurement RHD	Yes (2)	30	100.00	2.00	0.000		1 or 2
	No (1)	0	00				(1 or 2)

4.1 Demographic overview of the respondents

4.1.1 Years of experience in public procurement

Based on their years of experience, respondents were classified into young professional (≤ 10 years), mid-level professional (11-20 years) and senior professional (≥ 21 years). Majority (47%) of the procurement practitioner in LGED were senior professional where as in RHD mid level professionals constituted most of the population (43%).

4.1.2 Gender

Males were the dominant procurement practitioners in both the procuring entities under this study i.e., LGED and RHD (**Table 4.1**) with a percentage of 70 and 93 respectively. Lower representation of female in procurement might be due to lower representation of women's in government service of Bangladesh as a whole. Moreover, procurement as is a troublesome and risky job, women may not like to involve in it.

4.1.3 Level of Education

Most of the respondents (63% in LGED and 50% in RHD) had graduate level education while 3% and 13% per cent had professional degree on procurement management in LGED and RHD respectively. Almost similar percentage of respondents had post graduated level education in both entities (**Table 4.1**). Professional degree on procurement by some of the respondents is a positive aspect to develop and adopt best practice management in the country's procurement sector. This might be the outcome of the ongoing commitment of the government of Bangladesh to develop organizational human capital development in procurement sector in association with Chartered Institute of Procurement and Supply (CIPS), UK. Lower the respondent having Professional degree in procurement might be the case of non-availability of the persons on time and short span of time to collect data for the study.

4.1.4 Training on public procurement

Most of the procurement practitioners in both the entities under this study trained on procurement under PPRP project implemented by CPTU, IMED, Ministry of Planning except very nominal percent (3.33%) of respondent in LGED. As both of the entities are target department of CPTU, the majority of respondents had procurement training although the duration of the course varied from respondent to respondent.

4.2 PKIs related to invitation for tender in public procurement (KPI:1-4)

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

Both LGED and RHD were published their invitation for tender above threshold limit specified in PPR (2008) in widely circulated daily newspapers. The highest rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 61(4) of PPR 2008, the tender should be published on widely circulated newspaper based on the estimated value of the procurement of goods works and services. Similar results were found by SRGB (2013). Where Both LGED & RHD were published their all tender in newspaper.

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

This is a vital indicator of transparency in public procurement. The practice of the respondents is very much consistent for this KPI with **Mean ± SD** were **4.93±0.254** and **4.93±0.254** for LGED and RHD respectively. Both LGED and RHD were published their invitation for tender in CPTU's website. The higher rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 61(4) of PPR 2008, the tender should be published on CPTU's website based on the estimated value of the procurement of goods works and services. But according to SRGB (2013), the performance on this KPI was better in LGED than RHD. However, The present finding indicate the continuous improvement of RHD against this KPI form 2013.

Table 4.2 Distribution of respondents in regard to compliance on various KPIs related to Invitation for Tender in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-1	LGED	30	0	0	0	0	4.97±0.183	26.133(0.000)	0.000
	RHD	29	1	0	0	0	4.97±0.183	26.133 (0.000)	
KPI-2	LGED	28	2	0	0	0	4.93±0.254	22.533(0.000)	0.000
	RHD	28	2	0	0	0	4.93±0.254	22.533(0.000)	
KPI-3	LGED	21	8	1	0	0	4.67±0.547	20.600(0.000)	-0.297
	RHD	21	9	0	0	0	4.70±0.466	4.800(0.028)	
KPI-4	LGED	25	5	0	0	0	4.83±0.379	13.333(0.000)	1.366
	RHD	23	2	5	0	0	4.60±0.770	25.800(0.000)	

(Very good= 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.2.3 KPI-3: Percentage of Tenders following GoB Procurement Rules

This is also a very important indicator for assessing compliance in public procurement. The respondents in both the entities are very much consistent with this KPI with **Mean ± SD** were **4.67±0.547** and **4.70±0.466** for LGED and RHD respectively. Both LGED and RHD were followed the GoB procurement rules unless anything specified by the Development Partners for any specific procurement. The higher rate of compliance on this KPI for RHD found by SRGB (2013) might because of the higher foreign aided projects in LGED where some procurement might had to be done as per the Development partner's condition. But the present study shows the almost similar trend for both the organization.

4.2.4 KPI-4: Percentage of Tenders following Development Partner Rules

This is also a very important indicator for assessing compliance in public procurement. The respondents in both the entities are very much consistent with this KPI with **Mean ± SD** were **4.83±0.379** and **4.60±0.770** for LGED and RHD respectively. In both LGED and RHD were followed the Development Partner Procurement Rules where Development Partners imposed to do that for any specific project or any specific procurement. For a single project

there might be a combination of GoB procurement rules and Development Partners procurement rules. The higher rate of compliance on this KPI for LGED found by SRGB (2013) might be because of the higher foreign aided projects in LGED on that time where some procurement might have had to be done as per the Development partner's condition. Similarly the present study shows the similar trend. But the performance on this KPI will depend on the number of projects having Development Partners' Assistance as P.A. (DPA+ RPA) in a particular period of time.

4.3 PKIs related to tender submission (KPI:5-10)

4.3.1 KPI-5: Percentage of Tenders allowed submitting in multiple locations

This indicator was set to ensure the more participation in the tender process. This is also a very important indicator for assessing transparency and effectiveness in public procurement. The respondents in both the entities were very much consistent with this KPI with **Mean \pm SD** were **4.37 \pm 1.033** and **4.27 \pm 0.583** for LGED and RHD respectively. But according to SRBG (2013) the trends were higher than the present study result for both LGED and RHD. The higher rate of this KPI in SRGB (2013) might be the efficient management of tender process and avoiding risk of transportation within the stipulated time mentioned in PPR (2008). Practicing e-GP might also contribute to this result.

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

Though the average numbers of days between publishing of advertisement and tender submission deadline varies with procurement method, but the respondents of this study in both entities had shown a very significantly positive attitude having the **Mean \pm SD** were **4.93 \pm .254** and **4.63 \pm 0.490** for LGED and RHD respectively. The performance on this KPI was similar with SRGB (2013).

4.3.3 KPI -7: Percentage of tenders having sufficient tender submission time

This indicator is for assessing transparency and compliance in public procurement. Most of the respondents in both the entities supported this indicator as they practiced. The effectiveness of this KPI can be guessed from the application for increasing the tender submission deadline

by the prospective tenderers. Similar results were found in SRGB (2013) that supported the performance of the present study for this KPI with **Mean ± SD** were **4.67±.547** and **4.33±0.606** for LGED and RHD respectively.

Table 4.3 Distribution of respondents in regard to compliance on various KPIs related to Tender Submission in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-5	LGED	17	11	0	0	2	4.37±1.033	11.400(0.003)	0.451
	RHD	10	18	2	0	0	4.27±0.583	12.800(0.002)	
KPI-6	LGED	28	2	0	0	0	4.93±0.254	22.533(0.000)	2.757
	RHD	19	11	0	0	0	4.63±0.490	2.133(0.144)	
KPI-7	LGED	21	8	1	0	0	4.67±0.547	20.600(0.000)	2.276
	RHD	12	16	2	0	0	4.33±0.606	10.400(0.006)	
KPI-8	LGED	16	9	4	1	0	4.33±0.844	17.200(0.001)	-1.943
	RHD	21	9	0	0	0	4.70±0.466	4.800(0.028)	
KPI-9	LGED	11	13	6	0	0	4.17±0.747	2.600(0.273)	0.141
	RHD	13	10	4	3	0	4.13±1.008	10.267(0.016)	
KPI-10	LGED	9	12	8	1	0	3.97±0.850	8.667(0.034)	0.826
	RHD	9	9	7	5	0	3.73±1.081	1.467(0.690)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

Most of the procurement practitioners in both the entities under the study strongly agreed that a good number of tender documents were sold after IFT had published. Average number of tenderers purchased tender document were higher in RHD than that of LGED. The results of the present study also support the SRGB (2013) results on this KPI. This number varied from tender to tender depending on the availability of qualified firms asked by the procuring entity (PE) and past experience of the tenderer to deal with that PE. Due to bitter experience of getting late payment and other issues some tendered were not interested to participate in some

tender even though they had sufficient expertise to carry out that tender due to different issues including poor governance.

4.3.5 KPI -9: Average number of tenderers submitted Tenders

Present study for this KPI found the **Mean \pm SD** were **4.17 \pm 0.7547** and **4.13 \pm 1.008** for LGED and RHD respectively which indicate that majority of the respondent agreed with the performance of LGED and RHD but this result was very much ahead of the result found by SRGB (2013). Competitiveness of the tender as well as transparency can be ensured by ensuring the submission of tenders without any difficulties. The present result indicate LGED's improvement of performance against this KPI than that of SRGB (2013).

4.3.6 KPI -10: Ratio of number of Tender submission and number of Tender document sold

Result of the present study for this KPI with **Mean \pm SD** were **3.97 \pm 0.850** and **3.73 \pm 1.081** for LGED and RHD respectively indicated that in both the entity the procurement practitioners agreed that the ratio of tender submission and number of tender sold is merely satisfactory. The result also found similarity between these two organisation in SRGB (2013).

4.4 PKIs related to tender opening committee & tender evaluation committee (KPI: 11-13)

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

This is a vital indicator for opening and evaluation of tender. The practice of the respondents regarding inclusion of one member from TEC is very much consistent with **Mean \pm SD 4.90 \pm 0.305** for LGED. Whereas RHD complied lower for this KPI than LGED. The higher rate of compliance on this KPI might be the obligation of PPR (2008). According to Rule 7 of PPR 2008, the tender opening committee should include at least one member from TEC. But according to SRGB (2013), the performance on this KPI was better in RHD than LGED.

4.4.2 KPI -12: Percentage of cases TEC formed by Contract Approving Authority

Formation of TEC by the Contract approving authority is a standard practice public procurement. Data showed that the response of LGED was higher than RHD for this KPI. The mean and standard deviation of the response were **4.70±0.353** and **4.53± 0.507** for LGED and RHD respectively. The performance on this KPI correspond with SRGB (2013).

Table 4.4 Distribution of respondents in regard to compliance on various KPIs related to Tender Opening Committee & Tender Evaluation Committee in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-11	LGED	27	3	0	0	0	4.90±0.305	19.200(0.000)	3.791
	RHD	14	16	0	0	0	4.47±0.507	0.133 (0.715)	
KPI-12	LGED	22	7	1	0	0	4.70±0.353	23.400(0.000)	1.306
	RHD	16	14	0	0	0	4.53±0.507	0.133(0.715)	
KPI-13	LGED	28	1	1	0	0	4.90±0.403	48.600(0.000)	2.841
	RHD	18	7	5	0	0	4.43±0.774	9.800(0.007)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

Formation of TEC with two external members outside the ministry is a standard practice public procurement. Data showed that the response of LGED was higher than RHD for this KPI. The mean and standard deviation of the response were **4.90±0.403** and **4.43± 0.774** for LGED and RHD respectively. SRGB (2013) found that the performance on this KPI was fully complied by both LGED than RHD which indicate a little deviation in case of RHD.

4.5 PKIs related to tender evaluation (KPI: 14-18)

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

This is an important indicator of efficiency in public procurement. Tender should be evaluated within the tender validity period. The time between tender opening and evaluation was less for LGED than that of RHD. The mean and standard deviation of the response were **4.47±0.629** and **3.39± 1.048** for LGED and RHD respectively. But according to SRGB (2013), the performance on this KPI was better in LGED than RHD. It means that evaluation could be done more quickly in LGED than RHD. High value tender necessitate longer evaluation time which might explain the finding of RHD.

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

Evaluation of tender within the prescribed timeline is an important indicator of efficiency in public procurement. The response of the respondent indicated that LGED completed tender evaluation in a more efficient manner than RHD. The mean and standard deviation of the response were **4.53±0.629** and **4.07± 0.907** for LGED and RHD respectively. Similar trends were found in SRGB (2013).

4.5.3 KPI -16: Average number of responsive tenders

Only responsive tender should be evaluated within the tender validity period. The response of the respondent indicated that LGED got highest number of responsive tender in compared with RHD. The mean and standard deviation of the response were **4.27±0.640** and **4.00± 1.050** for LGED and RHD respectively. But according to SRGB (2013), the performance on this KPI was better in RHD than LGED. It mean the contractors of LGED is comparatively more conversant than RHD regarding tender submission process as well as more accustomed with PPR 2008.

Table 4.5 Distribution of respondents in regard to efficiency on various KPIs related to Tender Evaluation in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-14	LGED	16	12	2	0	0	4.47±0.629	10.400(0.006)	2.237
	RHD	9	14	5	0	2	3.93±1.048	10.800 (0.013)	
KPI-15	LGED	18	10	2	0	0	4.53±0.629	12.800(0.002)	2.249
	RHD	11	12	5	2	0	4.07±0.907	9.200(0.027)	
KPI-16	LGED	11	16	3	0	0	4.27±0.640	8.600(0.014)	1.352
	RHD	12	10	4	4	0	4.00±1.050	6.800(0.079)	
KPI-17	LGED	9	12	3	5	1	3.77±1.165	13.333(0.010)	-2.288
	RHD	12	16	2	0	0	4.33±0.606	10.400(0.006)	
KPI-18	LGED	11	6	6	3	4	3.57±1.431	6.333(0.010)	0.486
	RHD	8	6	7	8	1	3.40±1.248	5.667(0.225)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.5.4 KPI -17: Percentage of cases TEC recommended for Re-Tendering

Re tendering is not expected in public tendering process. The response against re-tendering was higher in RHD than LGED. The mean and standard deviation of the response were **3.77±1.165** and **4.33± 0.605** for LGED and RHD respectively. But a reverse scenario was found in SRGB (2013).

4.5.5 KPI -18: Percentage of cases where Tender process cancelled

The response of the respondent against cancellation of tender indicated that LGED canceled higher number of tender in compared with RHD. The mean and standard deviation of the response were **3.57±1.431** and **3.40± 1.248** for LGED and RHD respectively. SRGB (2013) did not measure the performance against this KPI.

4.6 KPIs related to tender evaluation report (TER) (KPI: 19-24)

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

It is expected in public tendering process to complete the tendering process from submission of tender to approval of contract within timeline specified by the CPTU as indicated in PPR 2008. The response against this KPI was higher in LGED than RHD. The mean and standard deviation of the response were 4.33 ± 0.6613 and 3.57 ± 1.006 for LGED and RHD respectively. But according to SRGB (2013), the performance on this KPI was better in RHD than LGED, meaning RHD was prompt in tender evaluation and approval of contract.

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

To ensure the compliance and reduce the length of process as well as to reduce the time to complete the approval process of the tenders some financial power has been delegated to subordinate authority. Still then some tender process in different organization practiced to get approval from the higher authority although the financial delegation was in active. The mean and standard deviation of the response were 4.40 ± 0.932 and 4.67 ± 0.479 for LGED and RHD respectively. Similar results accounted by SRGB (2013). The bureaucratic process might be lengthier in RHD which might explain the finding.

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

The response of the respondent against cancellation of tender indicated that LGED canceled higher number of tender in compared with RHD. The mean and standard deviation of the response were 4.37 ± 0.765 and 4.30 ± 0.535 for LGED and RHD respectively. Present result shows that respondents' perception is almost similar to SRGB (2013).

Table 4.6 Distribution of respondents in regard to Efficiency on various KPIs related to Tender Evaluation Report (TER) in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-19	LGED	13	14	3	0	0	4.33±0.6613	7.400(0.025)	3.286
	RHD	6	9	12	2	1	3.57±1.006	14.333 (0.006)	
KPI-20	LGED	19	6	3	2	0	4.40±0.932	24.667(0.000)	-1.278
	RHD	20	10	0	0	0	4.67±0.479	3.333(0.068)	
KPI-21	LGED	16	9	5	0	0	4.37±0.765	6.200(0.045)	0.403
	RHD	10	19	1	0	0	4.30±0.535	16.200(0.000)	
KPI-22	LGED	19	11	0	0	0	4.63±0.490	2.133(0.144)	4.327
	RHD	6	16	8	0	0	3.93±0.691	5.600(0.061)	
KPI-23	LGED	13	11	2	1	3	4.00±1.259	20.667(0.000)	0.465
	RHD	12	6	10	0	2	3.87±1.167	7.867(0.049)	
KPI-24	LGED	13	11	3	1	2	4.07±1.143	20.667(0.000)	-2.482
	RHD	19	11	0	0	0	4.63±0.490	2.133(0.144)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

As both LGED and RHD procurement activities were done under the budget of the development projects and it has definitely time constraint to complete the projects within the timeframe. Even though sometimes it took more time than usual course due to various reasons in both the organizations. Although time is a major essence of the contract, cost overrun may occur due to fail of maintaining time to take decision regarding contract. The mean and standard deviation of the response were **4.63±0.490** and **3.93±0.691** for LGED and RHD respectively. It appears that LGED is performing better than RHD in their procurement practice against this KPI. But according to SRGB (2013), the performance on this KPI was little bit better in RHD than LGED.

4.6.5 KPI -23: Percentage of cases TER reviewed by person/ committee other than the contract approving authority

In some cases there was a necessity to review the TER. This review was done by appointing a person or by constituting a committee. This can be done by the approving authority. Each of the process has some advantages and drawbacks. The mean and standard deviation of the response were **4.00±1.259** and **3.87±1.167** for LGED and RHD respectively. Present result shows that LGED's TER were reviewed more than RHD but reverse scenario was found by SRGB (2013).

4.6.6 KPI -24: Percentage of tenders approved by higher tier than the contract approving authority

Present result shows that respondents' perception in RHD is better than LGED in fulfilling the KPI having mean and standard deviation of the response were **4.07±1.143** and **4.63±0.490** for LGED and RHD respectively. It means contract approval will take more time than specified due to because of tender approval done by the higher tier than the contract approving authority in RHD compared to LGED. But according to SRGB (2013), the performance on this KPI was almost similar in LGED than RHD.

4.7. KPIs related to contract award (KPI: 25-29)

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

This KPI is very important in measuring the compliance as well as efficiency of the procuring entity. After evaluation of tender and getting approval of the contract from competent authority the PE should prepare the NOA against the fittest bidder keeping in mind the time bound specified by the PPR (2008). The performance of the PEs regarding efficiency will show how it can perform. The less time will require have better performance and took more time showed the PEs inefficiency. Present result shows mean and standard deviation of the response were **4.37±0.809** and **4.20±0.761** for LGED and RHD respectively. SRGB (2013), also found that the performance on this KPI were same in both LGED and RHD.

4.7.2 KPI -26: Average number of days between tender opening and notification of award

There are several steps need to complete from tender opening to notification of award. Delay in one or more than one steps will supplement the total delay in procurement process. The mean and standard deviation of the response were **4.23±0.858** and **4.17±0.986** for LGED and RHD respectively. But SRGB (2013), found that the performance on this KPI was better in RHD than LGED. Large number of tender necessitate more duration to issue NOA which might the case for LGED.

4.7.3 KPI -27: Average number of days between invitation for tender (IFT) and notification of award

This indicator involved one more step to issue NOA against the component tenderer compared to KPI-26. The performance of the procuring entity utilizing this KPI would measure the compliance as well as efficiency. The less time require will have the better efficiency. Respondents' opinion shows that LGED is performing better than RHD having mean and standard deviation of the response were **4.17±0.747** and **3.77±1.006** for LGED and RHD respectively. But according to SRGB (2013), the performance on this KPI was better in RHD than LGED.

Table 4.7: Distribution of respondents in regard to Transparency on various KPIs related to Contract Award in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-25	LGED	16	10	3	1	0	4.37 \pm 0.809	18.000(0.000)	0.841
	RHD	12	12	6	0	0	4.20 \pm 0.761	2.400 (0.301)	
KPI-26	LGED	14	10	5	1	0	4.23 \pm 0.858	12.933(0.005)	0.250
	RHD	15	7	6	2	0	4.17 \pm 0.986	11.867(0.008)	
KPI-27	LGED	10	16	3	1	0	4.17 \pm 0.747	18.800(0.000)	1.717
	RHD	10	5	13	2	0	3.77 \pm 1.006	9.733(0.021)	
KPI-28	LGED	13	8	7	0	2	4.00 \pm 1.145	8.133(0.043)	-1.433
	RHD	13	15	2	0	0	4.37 \pm 0.615	9.800(0.007)	
KPI-29	LGED	11	16	3	0	0	4.27 \pm 0.640	8.600(0.014)	0.197
	RHD	13	12	5	0	0	4.23 \pm 0.728	3.800(0.150)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

Contract awards published in the CPTU's website depends on the contract value or threshold specified by PPR (2008). The PE's performances on this KPI help to measure its loyalty to Act and Rules of the country. The mean and standard deviation of the responses were **4.00 \pm 1.145** and **4.37 \pm 0.615** for LGED and RHD respectively indicated RHD is performing better than LGED. The present result was similar to SRGB (2013).

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

Tender validity is the time by which a tenderer is bound to accept NOA within the time mentioned and submit the necessary document and guarantee. If the tender

validity need to extend the PE should request the tenderer to do so and accordingly the tenderer should showed its interest to extend the validity. Without the validity the contact will not be valid. The performance of the PEs on this KPI measures the efficiency of the PE. Research results shows that mean and standard deviation of the response were 4.27 ± 0.640 and 4.23 ± 0.728 for LGED and RHD respectively indicates RHD and LGED both performing in the similar pace but according to SRGB (2013), the performance on this KPI was better in LGED than RHD.

4.8 KPIs related to delivery/completion (KPI: 30-32)

4.8.1 KPI -30: Percentage of contracts completed/ delivered within the original scheduled time mentioned in the contract

Contract should be completed within the given time. It is the duty and responsibility of the procurement entity's contract manager to complete the contract within the given timeframe. But if the contract could not the finished within the specified time due to forced majeure the liquidity damage (LD) clause will not be effective and contract time needs to extend. Respondents' opinion shows that LGED and RHD both are performing similar pace having mean and standard deviation of the response were 3.77 ± 0.817 and 3.73 ± 0.740 for LGED and RHD respectively. But SRGB (2013) report shows that the performance on this KPI was better in RHD than LGED.

Table 4.8 Distribution of respondents in regard to Efficiency on various KPIs related to Delivery/Completion in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-30	LGED	5	15	8	2	0	3.77±0.817	12.400(0.014)	0.147
	RHD	3	18	7	2	0	3.73±0.740	21.467 (0.000)	
KPI-31	LGED	6	15	5	3	1	3.73±1.015	19.333(0.001)	0.124
	RHD	9	8	9	2	1	3.70±1.119	9.333(0.053)	
KPI-32	LGED	12	16	2	0	0	4.33±0.606	10.400(0.006)	1.720
	RHD	11	10	8	0	1	4.00±0.983	8.133(0.043)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

Contract having LD clause sometime stimulates the contractor to complete the contract within the given timeframe. In many contract LD sets in such a way it could not be executed as it appeared as penalty rather than LD but incorporated in contract as LD. The efficiency of the procuring entity can ensure the LD clause to be effective of the contractor could not perform the contract fully within the given timeframe. A good procurement manager can ensure the LD clause to be effective but it should not the objective of a procuring entity to collect LD rather its aim should be to complete the contract within timeframe to ensure its efficiency and increase effectiveness. Research results show that mean and standard deviation of the response were **3.73±1.015** and **3.70±1.119** for LGED and RHD respectively. But according to SRGB (2013), both LGED and RHD could not able to impose any liquidity damage for reasons mentioned in the contract.

4.8.3 KPI -32: Percentage of contracts fully completed and accepted

This KPI is used to measure the procurement performance of the PE's efficiency and effectiveness. The expenditure incurred for procurement need to be effective to ensure value

for money of the public fund. Due to various reasons the contract could not be completed fully as designed. If contract could not be completed fully as per design it should be revised as per prevailing situation with both parties consent. Majority of the respondents in both LGED and RHD opined that they would be able to complete the contract and they finally accept the contract. The mean and standard deviation of the response were 4.33 ± 0.606 and 4.00 ± 0.983 for LGED and RHD respectively. However in compared with SRGB (2013) RHD's performance decreased over the time.

4.9 KPIs related to payments (KPI: 33-35)

4.9.1 KPI -33: Average number of days taken to release payment from the date of certificate of PM/ Engineer

Payment should be made available after submitting the bill by the contractor as per contract. But in many cases it could not be maintained due to problem created in realizing fund especially in case of foreign aided projects. It is the responsibility of the PE's to ensure the fund to be available for paying the bill of the contractor. The mean and standard deviation of the response were 3.97 ± 0.765 and 3.63 ± 1.098 for LGED and RHD respectively. But according to SRGB (2013), the performance on this KPI was better in LGED than RHD, means less time was taken by LGED compared to RHD.

4.9.2 KPI -34: Percentage of cases (considering each installment as a case) with delayed payment

The contractor need payment on time after completing the contract and accepted by the PE. But sometimes it becomes delayed to make payment to the contractor after fulfilling the all relevant requirement and submitting the papers on due time due to non-availability of fund on time or shortage of fund due to lack of planning and budgeting. The mean and standard deviation of the response were 3.20 ± 1.095 and 3.40 ± 0.855 for LGED and RHD respectively. Present of cases with delayed payment also higher in RHD (SRGB, 2013).

Table 4.9 Distribution of respondents in regard to Transparency on various KPIs related to Payments in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-33	LGED	7	16	6	1	0	3.97±0.765	15.600(0.001)	1.471
	RHD	7	10	10	1	2	3.63±1.098	12.333 (0.015)	
KPI-34	LGED	3	10	9	6	2	3.20±1.095	8.333(0.080)	-0.769
	RHD	2	12	13	2	1	3.40±0.855	23.667(0.000)	
KPI-35	LGED	3	5	7	5	10	2.53±1.383	4.667(0.323)	-0.888
	RHD	5	6	3	12	4	2.87±1.358	8.330(0.080)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

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

In some cases litigation arose due to delayed payment. As per rule PE should bound to pay the interest for delayed payment if the contractor claims as per contract. Standard tender document have a clause to ensure the right of the contractor. The mean and standard deviation of the response were **2.53±1.383** and **2.87±1.358** for LGED and RHD respectively indicates that in both organizations the respondents poorly agreed with the statement of the KPI. SRGB (2013), also ascertain the findings for both LGED and RHD.

4.10 KPIs related to complaints (KPI: 36-39)

4.10.1 KPI -36: Percentage of Tender procedures with complaints

Sometimes there are complaints arose due to mishandling of the contract either because of the PE or the contractor. The mean and standard deviation of the response against this KPI were **2.77±1.357** and **2.37±1.066** for LGED and RHD respectively indicates that in both organizations the respondents poorly agreed with the statement of the KPI. But SRGB (2013) did not measured the performance on this KPI for both LGED and RHD.

4.10.2 KPI -37: Percentage of complaints resulting in modification of award

If there are complaints arose due to either party's interest it should be resolved to make the contract effective. For effective contract management it needs to modify the contract with the consent of both parties. The mean and standard deviation of the response against this KPI were **2.97±1.245** and **2.90±1.269** for LGED and RHD respectively indicates that in both organizations the respondents poorly agreed with the statement of the KPI. But SRGB (2013) did not measured performance on this KPI for both LGED and RHD.

Table 4.10- Distribution of respondents in regard to Transparency on various KPIs related to Complaints in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-36	LGED	4	6	5	9	6	2.77±1.357	2.333(0.675)	1.343
	RHD	0	6	6	11	7	2.37±1.066	2.267 (0.519)	
KPI-37	LGED	3	8	9	5	5	2.97±1.245	4.006(0.406)	0.189
	RHD	5	3	10	8	4	2.90±1.269	5.667(0.225)	
KPI-38	LGED	10	11	6	2	1	3.90±1.062	13.667(0.008)	-1.159
	RHD	12	13	4	1	0	4.20±0.805	14.000(0.003)	
KPI-39	LGED	9	14	5	2	0	4.00±0.871	10.800(0.013)	0.447
	RHD	14	4	9	0	3	3.87±1.306	10.267(0.016)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.10.3 KPI -38: Percentage of cases complaints have been resolved

Contract arose complaints need to resolve immediately without escalation to litigation. Contract document should have that option and mentioned the procedure to mitigate those complaints. If the contract using the STD there are less possibility to litigation first rather ADR which is less clumsy and time saving as well as keeping relationship to be maintained. The mean and standard deviation of the response against this KPI were **3.90±1.062** and **4.20±0.805** for LGED and RHD respectively indicates that in both organizations the

respondents poorly agreed with the statement of the KPI. But SRGB (2013), measured the performance on this KPI for both LGED than RHD.

4.10.4 KPI -39: Percentage of cases review panel's decision upheld

As part of ADR many contract's dispute to be finalized by the review panel as mentioned in the PPR (2008) as well as in the contract document. If the decision of the panel is not accepted by the either party it can sue in the court for mitigation of the complaints. Litigation process takes much time and it is expensive. The mean and standard deviation of the response against this KPI were 4.00 ± 0.871 and 3.87 ± 1.306 for LGED and RHD respectively indicates that LGED is performing better in managing contract disputes resulting complaints compared to RHD. But SRGB (2013), did not measured the performance on this KPI for both LGED and RHD.

4.11 KPI related to contract amendments (KPI: 40)

4.11.1 KPI -40: Percentage of contract amendments/variations

If the procuring entity would not be able to specify the work or services to be procured under the contract it would create necessity to amend or need variations to be made to fulfill the requirements. Sometimes the initial contract could not cover the actual demand of the PE due the various reasons especially when the performance specifications and BOQ method were used. The mean and standard deviation of the response against this KPI were 3.57 ± 1.305 and 3.33 ± 1.028 for LGED and RHD respectively indicates that LGED is performing little bit better in managing contract compared to RHD but under the same group as per Likert Scale. This KPI also measure the effectiveness of the contract. The less the contract needs amendments or variation indicates the PE's capabilities to handle the procurement activities more efficiently also But SRGB (2013), did not taken into consideration for measuring the performance on this KPI in both LGED than RHD.

Table 4.11- Distribution of respondents in regard to Efficiency on single KPI related to Contract Amendment in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-40	LGED	8	11	4	4	3	3.57±1.305	7.667(0.105)	0773
	RHD	2	13	11	1	3	3.33±1.028	20.667 (0.000)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.12 KPI related to contract dispute resolution (KPI: 41)

4.12.1 KPI -41: Percentage of Contracts with unresolved disputes

Sometimes contract manger of the PE could not be able to resolve the disputes in spite of trying to mitigate the problems. This sort of situation is not desirable to any procuring entity. The mean and standard deviation of the response against this KPI was **3.13±1.432** and **3.83±1.315** for LGED and RHD respectively. Results indicate that respondent from both the organizations have almost similar perceptions regarding this KPI. But SRGB (2013), did not taken into consideration for measuring the performance on this KPI in both LGED than RHD.

Table 4.12- Distribution of respondents in regard to Efficiency on single KPI related to Contract Dispute Resolution in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-41	LGED	4	13	3	3	7	3.13±1.432	12.000(0.017)	2.082
	RHD	13	6	7	1	3	3.83±1.315	14.000 (0.007)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.13 KPI related to fraud & corruption (KPI: 42)

4.13.1 KPI -42: Percentage of cases Fraud & Corruption detected

To ensure value for money of the public fund fraud and corruption need to be avoided or controlled properly by ensuring transparency of PE in procurement activities. It can happen from both party and not desirable to anyone in usual course of procurement. Any party undergone with fraud/corruption hampered the procurement. The transparency of both the parties can ensure the protection of fraud/corruption. Also good governance of the PE's could prevent fraud/corruption. The mean and standard deviation of the response against this KPI were 3.97 ± 0.999 and 4.03 ± 1.189 for LGED and RHD respectively indicates that respondent from RHD were agreed more than LGED respondents while asking perceptions regarding this KPI. But SRGB (2013) did not taken into consideration for measuring the performance on this KPI in both LGED than RHD.

Table 4.13-Distribution of respondents in regard to Efficiency on single KPI related to Fraud & Corruption in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean \pm SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-42	LGED	10	12	6	1	1	3.97 ± 0.999	17.000(0.002)	-0.250
	RHD	14	9	2	4	1	4.03 ± 1.189	19.667(0.001)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.14 KPIs related to procurement management capacity (KPI: 43-45)

4.14.1 KPI -43: Average number of trained procurement staff in each procuring entity

The procurement entity having personnel with proper training on procurement will ensure the better performance of the PE and can manage the contract with better efficiency and can be able to ensure the effectiveness of the procurement. The mean and standard deviation of the response against this KPI were 4.33 ± 0.547 and 4.33 ± 0.711 for LGED and RHD respectively indicates that respondent from both PEs have similar perceptions regarding this

KPI while answering. According to SRGB (2013), the number of trained procurement staffs were higher in LGED than RHD.

4.14.2 KPI -44: Percentage of procuring entity which has at least one trained/ certified procurement staff

The PE having no trained personnel on procurement would suffer compared to that PE having at least one trained personnel in procurement. Though the selected two organizations are being the targeted agency of the CPTU, some PE may not have the trained procurement personnel due to new recruitment. But this is the management competency of that PE to ensure at least one trained procurement staff should be arranged at each procuring entity. Unless otherwise the dispute will arise and value for money would not be achieved. The mean and standard deviation of the response against this KPI were **4.33±0.568** and **4.67±0.547** for LGED and RHD respectively indicates that RHD have more certified staff than LGED. But According to SRGB (2013), the performance on this KPI was better in LGED than RHD.

Table 4.14 Distribution of respondents in regard to Effectiveness on various KPIs related to Procurement Management Capacity in Public Procurement

KPIs	PEs	Degree of compliance (no. of respondent)					Mean ± SD	Chi-sq (sig.)	T test
		5	4	3	2	1			
KPI-43	LGED	11	18	1	0	0	4.33±0.547	14.600(0.001)	0.000
	RHD	13	15	1	1	0	4.33±0.711	22.800(0.000)	
KPI-44	LGED	14	15	1	0	0	4.43±0.568	22.200(0.002)	-1.651
	RHD	21	8	1	0	0	4.67±0.547	20.600(0.000)	
KPI-45	LGED	15	14	1	0	0	4.67±0.571	12.200(0.002)	-0.528
	RHD	17	12	1	0	0	4.53±0.571	13.400(0.021)	

(Very good = 5; Good =4; Neutral =3; Poor =2; Very Poor =1)

4.14.3 KPI -45: Total number of procurement persons in the organization with procurement training

The more personnel having procurement training in any organization will ensure good procurement practice and also ensure value for money especially in the public sector. The mean and standard deviation of the response against this KPI were **4.67±0.571** and **4.53±0.571** for LGED and RHD respectively indicate that RHD respondents have similar perceptions with LGED regarding this KPI while answering. According to SRGB (2013), the number of procurement person was higher in LGED than RHD. LGED had around more than double procurement persons while RHD had only 395 persons (SRGB, 2013). Higher organizational strength might explain the present findings.

Moreover, 45 KPIs were grouped into 13 categories as per CPTU guidelines by using the SPSS software and these compute variables results can also be shown between these two organizations in 4.15.

Table 4.15 Comparison of procurement performance between LGED and RHD on different KPIs using compute variables guided by CPTU

Compute Variables	LGED		RHD	
	Chi-sq. (sig.)	Scale Reliability	Chi-sq. (sig.)	Scale Reliability
Invitation for Tenders (KPI: 1-4)	24.933(0.000)	0.433	55.200(0.000)	0.696
Tender Submission (KPI: 5-10)	15.333(0.000)	0.712	8.400(0.299)	0.719
TOC & TEC (KPI: 11-13)	29.467(0.000)	0.697	5.667(0.225)	0.690
Tender Evaluation (KPI: 14-18)	14.00(0.173)	0.753	7.800(0.453)	0.711
Tender Evaluation Report (KPI: 19-24)	10.828(0.371)	0.838	18.000(0.012)	0.711
Contract Award (KPI: 25-29)	10.069(0.434)	0.876	13.200(0.105)	0.761
Delivery (KPI: 30-32)	5.200(0.6360)	0.892	6.400(0.380)	0.769
Payment (KPI: 33-35)	12.667(0.178)	0.714	5.933(0.431)	0.804
Complaints (KPI: 36-39)	8.000(0.534)	0.786	11.333(0.254)	0.808
Contract Amendment (KPI: 40)	12.000(0.151)	0.797	15.867(0.026)	0.791
Contract Dispute Resolution (KPI: 41)	12.000(0.017)	0.818	10.333(0.035)	0.792
Fraud and Corruption (KPI: 42)	17.000(0.002)	0.828	14.667(0.005)	0.797
Procurement Management Capacity (KPI: 43-45)	13.333(0.010)	0.817	24.000(0.000)	0.791

Rahaman, M.M. (2013) also measured the performance of LGED based on KPI related to efficiency only.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

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

The present study results show a clear adherence to the rules of PPR 2008 in LGED and RHD in carrying out most of the compliance against various KPIs with some variation. Over the years, however it shows a gradual improvement since starting of monitoring conducted by CPTU.

LGED performed better in respect of KPI 4 (Percentage of Tenders following Development Partner Rules), KPI 6 (Average number of days between publishing of advertisement and Tender submission deadline), KPI 7 (Percentage of Tenders having sufficient tender submission time), KPI 10 (Ratio of number of Tender submission and number of Tender document sold), KPI 11 (Percentage of cases TOC included at least ONE member from TEC) and KPI 12 (Percentage of cases TEC formed by Contract Approving Authority) and KPI 13 (Percentage of cases TEC included two external members outside the Ministry or Division), KPI 14 (Average number of days between Tender opening and completion of evaluation), KPI 15 (Percentage of cases Tender evaluation has been completed within timeline), KPI 16 (Average number of responsive Tenders), KPI 19 (Average number of days taken between submission of Tender Evaluation and approval of contract), KPI 22 (Percentage of cases contract award decision made within timeline by Contract Approving Authority after submitting Tender Evaluation Report), KPI 23 (Percentage of cases TER reviewed by person/committee other than the Contract Approving Authority), KPI 25 (Average number of days

between final approval and Notification of Award (NOA), KPI 27 (Average number of days between Invitation for Tender (IFT) and Notification of Award), KPI 32 (Percentage of Contracts fully completed and accepted). On the other hand RHD complied better on KPI 8 (Average number of Tenderers purchased Tender Documents), KPI 17 (Percentage of cases TEC recommended for Re-Tendering), KPI 20 (Percentage of Tenders approved by the proper financial delegated authority), KPI 24 (Percentage of Tenders approved by higher tier than the Contract Approving Authority), KPI 28 (Percentage of Contract awards published in CPTU's website), KPI 34 (Percentage of cases (considering each installment as a case) with delayed payment), KPI 38 (Percentage of cases complaints have been resolved), KPI 41 (Percentage of Contracts with unresolved disputes), and KPI 44 (Percentage of procuring entity which has at least one trained/ certified procurement staff).

5.2 Recommendations

From the present study, it is seen that in LGED PPR 2008 is being complied better than RHD against most of the KPIs for measuring their procurement performance. Yet there is scope and need for improvement in these areas as to have a 100% compliance of PPR 2008 in both of organization. For further improvement, following recommendations are drawn based on the study:

- Tender should be floated only after having availability of sufficient fund. This would ensure the timely payment to the contractor [Rule 39 (22)]
- Liquidated damage clause to be properly applied as per Rule 39 (27) of PPR 2008. The amount of liquidated damage per day or per week should be calculated on the basis of approximate real monetary loss for delay, not just on the basis of blind guessing. Compensation event needs to be properly incorporated in the tender document so that contractors can get appropriate compensation if the situation arises so.
- Provision for payment of interest in case of delayed payment should be kept in the contract and implemented accordingly so that the rights of the contractor can be protected
- Development partners could play a catalytic role, by supporting Bangladesh in undertaking assessments, evaluating policy options and implementing

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

- Political willingness and a clear commitment are necessary from the very top of government. The commitment towards compliance must be continuously expressed and down through the ministries, authorities and chief executives in all public bodies.
- The government should provide training to incorporate monitoring framework into ongoing training programs for procurement practitioners. Procurement professionals often lack proper training and tools for monitoring their procurement practices. This indicates that cognitive aspects such as knowledge and awareness at the individual procurement professional level seem important in order to make compliance on various KPIs.
- Public sector procurement professionals should be given clear direction from the top of their organizations in complying on various KPIs through standard procurement practices. This should be supported through government sustainability targets and performance measuring systems and progress monitoring.
- Procurement should be done by the full-time procurement professionals and people who do procurement as a significant element of their work. There should be a clear HR policy in this regard. Procurement professionals often claimed abrupt transfer and posting to other professional areas which affect their career plan as well as achieving professional competence for achieving standard performance.
- Stakeholder involvement: It has become clear that a lot of awareness rising will be necessary. A solid multi-stakeholder group had to be build first to help create public awareness on various KPIs. For the purpose of compliance, stakeholders should be involved in the evaluation and adjudication process. This will creates the conditions for effective collaboration between governments and citizens in a process that enhances legitimacy and accountability of public decision-making.

- There is the need for a broad or higher degree of collaboration and engagement between all parties, such as the government, private developers, construction professionals, contractors and suppliers, who are found to be the member of supply chain.
- There is scope to further study about the issue. Advanced research needs to be conducted in order to get a deeper insight into the performance issue in relation to the public procurement of Bangladesh.

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Key Performance Monitoring Indicators

Sl. No.	Indicator Category	Process Indicator	KPI No.	Performance Data
1	Invitation for Tender	Advertisement of Tender opportunities in Newspaper	1	Percentage of Invitation for Tender (IFT) published in Newspaper
		Advertisement of Tender opportunities in CPTU's website	2	Percentage of Invitation for Tender (above threshold) advertised in CPTU's website
		Tenders following GoB Procurement Rules	3	Percentage of Tenders following GoB Procurement Rules
		Tender following Development Partner Rules	4	Percentage of Tenders following Development Partner Rules
2	Tender Submission	Multiple locations submission Tenders	5	Percentage of Tenders allowed to submit in multiple locations
		Tender preparation time in Open Tendering Method	6	Average number of days between publishing of advertisement and Tender submission deadline
		Tender time compliance	7	Percentage of Tenders having sufficient tender submission time
		Sale of Tender documents	8	Average number of Tenderers purchased Tender Documents
		Tenderer Participation	9	Average number of Tenderers submitted Tenders

		Tenderer Participation Index	10	Ratio of number of Tender submission and number of Tender document sold
3	Tender Opening Committee (TOC) and Tender Evaluation Committee (TEC)	Tender Opening Committee formation	11	Percentage of cases TOC included at least ONE member from TEC
		Tender Evaluation Committee formation	12	Percentage of cases TEC formed by Contract Approving Authority
		External member in TEC	13	Percentage of cases TEC included Two external members outside the Ministry or Division
4	Tender Evaluation	Tender evaluation time	14	Average number of days between Tender opening and completion of evaluation
		Compliance of Tender evaluation time	15	Percentage of cases Tender evaluation has been completed within timeline
		Tender Acceptance	16	Average number of responsive Tenders
		Re-Tendering	17	Percentage of cases TEC recommended for Re-Tendering
		Tender Cancellation	18	Percentage of cases where Tender process cancelled
5	Tender Evaluation Report (TER) approval	Tender Evaluation Approval time	19	Average number of days taken between submission of Tender Evaluation and approval of contract
		Compliance of financial delegation	20	Percentage of Tenders approved by the proper financial delegated authority

		Submission of evaluation report to appropriate authority	21	Percentage of cases TEC submitted report directly to the Contract Approving Authority where Approving Authority is HOPE or below
		TER approval compliance	22	Percentage of cases contract award decision made within timeline by Contract approving Authority after submitting Tender evaluation report
		Additional review of TER	23	Percentage of cases TER reviewed by person/ committee other than the Contract Approving Authority
		Higher tier approval	24	Percentage of Tenders approved by higher tier than the Contract Approving Authority
6	Contract Award	Time for issuance of NOA to Tenderder	25	Average number of days between final approval and Notification of Award (NOA)
		Tender processing lead time	26	Average number of days between Tender opening and Notification of award (NOA)
		Total Tender processing time	27	Average number of days between Invitation for Tender (IFT) and Notification of Award
		Publication of award information	28	Percentage of Contract awards published in CPTU's website

		Efficiency in Contract Award	29	Percentage of contracts awarded within initial Tender validity period
7	Delivery/ Completion	Delivery time	30	Percentage of Contracts completed/ delivered within the original schedule as mentioned in the contract
		Liquidated damage	31	Percentage of Contracts having liquidated damage imposed for delayed delivery/completion
		Completion rate	32	Percentage of Contracts fully completed and accepted
8	Payment	Payment release compliance	33	Average number of days taken to release payment from the date of certificate of PM/ Engineer
		Late payment	34	Percentage of cases (considering each installment as a case) with delayed payment
		Interest paid for delayed payment	35	Percentage of Contracts where interest for delayed payments was made
9	Complaints	Tender procedure complaints	36	Percentage of Tender procedures with complaints
		Resolution of complaints with award modification	37	Percentage of complaints resulting in modification of award
		Resolution of complaints	38	Percentage of cases complaints have been resolved
		Independent Review Panel	39	Percentage of cases review panel's decision upheld

10	Contract amendments	Contract Amendment/ variation	40	Percentage of contract amendments/variatio
11	Contract dispute resolution	Unresolved Disputes	41	Percentage of Contracts with unresolved disputes
12	Fraud & Corruption	Fraud & Corruption	42	Percentage of cases Fraud & Corruption detected
13	Procurement Management Capacity	Procurement training	43	Average number of trained procurement staff in each procuring entity
			44	Percentage of procuring entity which has at least one trained/ certified procurement staff
			45	Total number of procurement persons in the organization with procurement training

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Survey Questionnaire

Research Topic: Measuring procurement performance of LGED and RHD based on KPIs.

This is a survey questionnaire for conducting a social research for partial fulfillment of **Masters in Procurement and Supply Management** course under Bangladesh Institute of Governance and Development (BIGD), BRAC University, Bangladesh. The aim is to compare the procurement performance of the two distinguished and target departments like **Local Government Engineering Department (LGED)** and **Roads and Highways Department (RHD)**, identified by CPTU based on their procurement spend and importance given in the Annual Development Programme (ADP). The performance will be compared based on KPIs predefined by **Central Procurement Technical Unit (CPTU)** in light with **The Bangladesh Public Procurement Regulations, (PPR) 2008**. Through this research it will also be tried to find out the extent of commitment to follow PPR 2008 in the two selected departments as well as any hindrance to follow **The PPR 2008**. You are requested to indicate how these KPIs are being followed by organisation based on your perception practice. Your honest information and sincere responses is very much valuable to the researcher. The researcher assures you that the information given by you will be kept confidential & will be used only for academic purposes.

Part A: Respondent's Profile [Please tick (✓) where appropriate]

Serial	Item	:	Information		
1	Designation	:			
2	Name of the Organization	:	LGED	RHD	
3	Job Experience (in years)	:	1-10	11-20	21+
4	Educational Qualifications (last degree obtained)	:	Engineering Graduate	MS/MBA	Professional degree
5	Do you have any training on PPA-2006 and PPR-2008	:	Yes / No, If yes how long the course was?..... days.		
6	Gender	:	Male /Female		

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Survey Questionnaire

Part B: The following statements request you to provide information practiced in your organization based on KPIs set by CPTU in light with PPR-2008. Please tick (√) where appropriate on the following five points scales

(1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree)

Indicator Category	KPI Number	KPIs practices in your organizations	Scale 1to 5				
			1	2	3	4	5
Invitation for Tender	KPI-1	To me, my organization practicing Invitation for Tender (IFT) published in Newspaper	1	2	3	4	5
	KPI-2	Invitation for Tender (above threshold) advertised in CPTU’s website is a common phenomenon in my organization.	1	2	3	4	5
	KPI-3	To me, Tenders following GoB Procurement Rules (where appropriate) in my organization.	1	2	3	4	5
	KPI-4	To me, Tenders following Development Partner Rules (where appropriate) in my organization.	1	2	3	4	5
Tender Submission	KPI-5	In my organization Tenders allowed to submit in multiple locations	1	2	3	4	5
	KPI-6	My organization maintaining time for publishing of advertisement and Tender submission deadline	1	2	3	4	5
	KPI-7	To the best of my knowledge Tenders having sufficient tender submission time	1	2	3	4	5
	KPI-8	To me, sufficient number of Tenderers purchased Tender Documents	1	2	3	4	5
	KPI-9	In most of the cases sufficient number of Tenderers submitted Tenders	1	2	3	4	5
	KPI-10	To me, Tender participation Index (ratio of number of Tender submission and number of Tender document sold) acceptable	1	2	3	4	5

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Survey Questionnaire

(1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree)

Indicator Category	KPI Number	KPIs practices in your organizations	Scale 1to 5				
			1	2	3	4	5
Tender Opening Committee & Tender Evaluation Committee	KPI-11	To me, TOC included at least one(1) member from TEC	1	2	3	4	5
	KPI-12	In my organization TEC formed by Contract Approving Authority	1	2	3	4	5
	KPI-13	To me, TEC included Two external members outside the Ministry or Division	1	2	3	4	5
Tender Evaluation	KPI-14	In my organization we are following specified days between Tender opening and completion of evaluation	1	2	3	4	5
	KPI-15	We are always practicing to evaluate tender within timeline mentioned in PPR-2008	1	2	3	4	5
	KPI-16	To me, number of responsive Tenders we received in all tender process	1	2	3	4	5
	KPI-17	To the best of my knowledge TEC recommended for Re-Tendering	1	2	3	4	5
	KPI-18	To me, Tender process cancelled due to any inconveniences	1	2	3	4	5
Tender Evaluation Report (TER)	KPI-19	In my organization we took average time between submission of Tender Evaluation and approval of contract	1	2	3	4	5
	KPI-20	To me, Tenders approved by the proper financial delegated authority in all cases	1	2	3	4	5
	KPI-21	Regarding report TEC directly submit to the Contract Approving Authority where Approving Authority is HOPE or below	1	2	3	4	5

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Survey Questionnaire

(1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree)

Indicator Category	KPI Number	KPIs practices in your organizations	Scale 1to 5				
			1	2	3	4	5
	KPI-22	To me, contract award decision made within timeline by Contract Approving Authority after submitting tender evaluation report in my organization	1	2	3	4	5
	KPI-23	Additional review of TER is done by person/committee other than the Contract Approving Authority in my organization	1	2	3	4	5
	KPI-24	Where necessary as per regulations tenders approved by higher tier than the Contract Approving Authority	1	2	3	4	5
Contract Award	KPI-25	To me, time taken to issue Notification of Award (NOA) to tenderer within timeframe.	1	2	3	4	5
	KPI-26	In my organization, tender processing lead time [time between tender opening and Notification of Award (NOA)] is strictly maintained	1	2	3	4	5
	KPI-27	To me, Total Tender Processing Time [number of days between Invitation for Tender (IFT) and Notification of Award] is followed as per regulation in our office	1	2	3	4	5
	KPI-28	I do agree that Contract awards published in CPTU's website as partial fulfillment of compliance	1	2	3	4	5
	KPI-29	Contracts could be awarded within initial tender validity period in my organization	1	2	3	4	5
Delivery/Completion	KPI-30	To me, contracts completed/ delivered within the original schedule as mentioned in the contract is maintained	1	2	3	4	5
	KPI-31	Contracts having liquidated damage imposed for delayed deliver / completion is practiced as per Rule	1	2	3	4	5

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Survey Questionnaire

(1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree)

Indicator Category	KPI Number	KPIs practices in your organizations	Scale 1to 5				
			1	2	3	4	5
	KPI-32	Most of the Contracts fully completed and accepted in my organization	1	2	3	4	5
Paym ents	KPI-33	To me, contractor's payment is timely made/ disbursed as per Rule 39(27) from the date of certificate of PM/ Engineer	1	2	3	4	5
	KPI-34	To me, in all cases (considering each installment as a case) with delayed payment is a regular phenomenon in my organization	1	2	3	4	5
	KPI-35	In my organization contractors were paid with interest for delayed payments if made	1	2	3	4	5
Complaints	KPI-36	To me, complaints regarding tender procedures are usual case in my organization	1	2	3	4	5
	KPI-37	On the basis of complaints modification of award was made	1	2	3	4	5
	KPI-38	Complaints have been resolved in my organization as per Rule in PPR-2008	1	2	3	4	5
	KPI-39	To me, independent review panel's decision upheld in my organization	1	2	3	4	5
Contract Amend- ments	KPI-40	To me, most of the contract need amendments /variations and are made accordingly	1	2	3	4	5
Contract Dispute Resolution	KPI-41	In my organization, Contracts with unresolved disputes are a common practice and tried to resolved as priority basis	1	2	3	4	5
Fraud & Corruption	KPI-42	To me, we would be able to find out Fraud & Corruption detected in contract management	1	2	3	4	5

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Survey Questionnaire

(1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree)

Indicator Category	KPI Number	KPIs practices in your organizations	Scale 1to 5				
Procurement Management Capacity	KPI-43	Average number of trained procurement staff in each procuring entity	1	2	3	4	5
	KPI-44	In my organization the procurement activities done with having at least one trained/ certified procurement staff	1	2	3	4	5
	KPI-45	In my organization sufficient number of procurement persons in the organization with procurement training	1	2	3	4	5

Part C: The following questions request you to provide information based on your perception regarding PPR-2008.

Q1. Do you face any difficulty in regard to any Rule under PPR-2008 for effective contract management and achieving better value for money by using public fund?

.....

.....

.....

Q2. What is your suggestions regarding that Rule for smooth implementation of PPR-2008?

.....

.....

.....

(Name and Signature)
Optional

Compliance Key Performance Indicators (KPI) for PPR 2008

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

Serial No.	KPI No.	Description of KPI	Related Rules of PPR 2008
10.	33	Average number of days taken to release payment from the date of certificate of PM/ Engineer	Rule 39(22), Schedule II
11.	35	Percentage of Contracts where interest for delayed payments was made	TDS/GCC