



**Public Procurement in Roads and Highways Department:  
A Tussle of Transparency and Accountability**

**A Dissertation**

**By**

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## **Public Procurement in Roads and Highways Department: A Tussle of Transparency and Accountability**

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North South University**

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**List of Acronyms:**

ADB-Asian Development Bank  
ADP-Annual Development Program  
C&AG-Comptroller & Auditor General  
CGFR-Compilation of General Financial Rules  
CHD-Chittagong Hill Districts  
CPTU-Central Procurement Technical Unit  
CPAR-Country Procurement Assessment Report  
DOFP-Delegation of Financial Power  
DPEC-Departmental Project Evaluation Committee  
DPM- Direct Procurement Method  
DPR-Defense Purchase Regulation  
ECB-Engineering Construction Battalion  
ECNEC-Executive Committee of National Economic Council  
E-CMS-E-Contract Management System  
E-GP-Electronic Government Procurement  
ERD-External Resource Division  
GOB- Government of Bangladesh  
GDP-Gross Domestic Product  
IFE-Invitation for Enlistment  
IFPQ-Invitations for Prequalification  
IFT-Invitation for Tender  
IDA-International Development Agency  
IMED-Implementation Monitoring and Evaluation Division  
JMRIP-Joydebpur-Mymensingh Road Improvement Project  
LTM-Limited Tendering Method

OECD- Organization for Economic Co-operation and Development

OECF- Overseas Economic Cooperation Fund

ODA-Official Development Assistance

OTM-Open Tendering Method

PETS -Participatory Expenditure Tracking Studies

PPRP -Public Procurement Reforms Project

NEC-National Economic Council

PAC-Public Accounts Committee

PEC-Project Evaluation Committee

PPA-Public Procurement Act

PPR-Public Procurement Regulation

PPR-Public Procurement Rules

QCBS-Quality & Cost Based Selection

RHD-Roads and Highways Department

ROI-Request for Expression of Interest

RFQ-Request for Quotation

SFB-Selection under a Fixed Budget

SPSS-Statistical Package for Social Service

TDS-Tender Data Sheet

TEC-Tender Evaluation Committee

TI-Transparency International

TIB-Transparency International Bangladesh

TSTM- Two-Stage Tendering Method

UNDP-United Nations Development Program

VAT- Value Added Tax

VFM-Value for Money

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**Abstract:**

A modern public procurement system requires high standards of transparency and accountability because public procurement serves public interests. This requires a minimum standard of transparency and accountability in the conduct of public affair. Public Procurement (PP) is an important area of public sector activity in all countries of the world both developed and developing alike. With the bulk of procurement activities, Roads and Highways Department, under the Ministry of Road Transport and Bridges in the Government of Bangladesh, shoulders a vast task and plays a vital role in socio-economic development of the country. The principal motto of this Department is to help assist improvement of the country through formulating policies regarding roads, road transports and facilitating construction, development, expansion and maintenance of integrated roads transportation.

In FY 2016-2017, RHD has an allocation of the 109.1 billion, of which the foreign aid component is 55 percent. The bulk of aid funds (83%) come from International Development Agency, Asian Development Bank and Overseas Economic Cooperation Fund. This large volume of procurement related transaction, apparently with less transparency and accountability, provide a prolific ground for corruption in Roads and Highways Department. Transparency International Bangladesh (TIB) in its recent findings provided some examples of corruption in Roads and Highways Department including misappropriation of public money through construction works and tender work given through nepotism and without bidding. Except for few TIB reports there has been neither qualitative nor quantitative research done on it nationally or globally.

The current research critically evaluates the actual practices of transparency and accountability in public procurement in Roads and Highways Department of Bangladesh taking the Dhaka-Mymensingh Four Lane Project as an instance. The investigation also covers the elements of effective governance, in which transparency and accountability are equally important. It explores the scenario by using the official document, manuals, publications, report, content analysis, in depth interview, case study, audit report, qualitative and quantitative data as well as empirical data.

**Keywords: Public Procurement, Transparency, Accountability, Corruption, Governance**

## Chapter-One

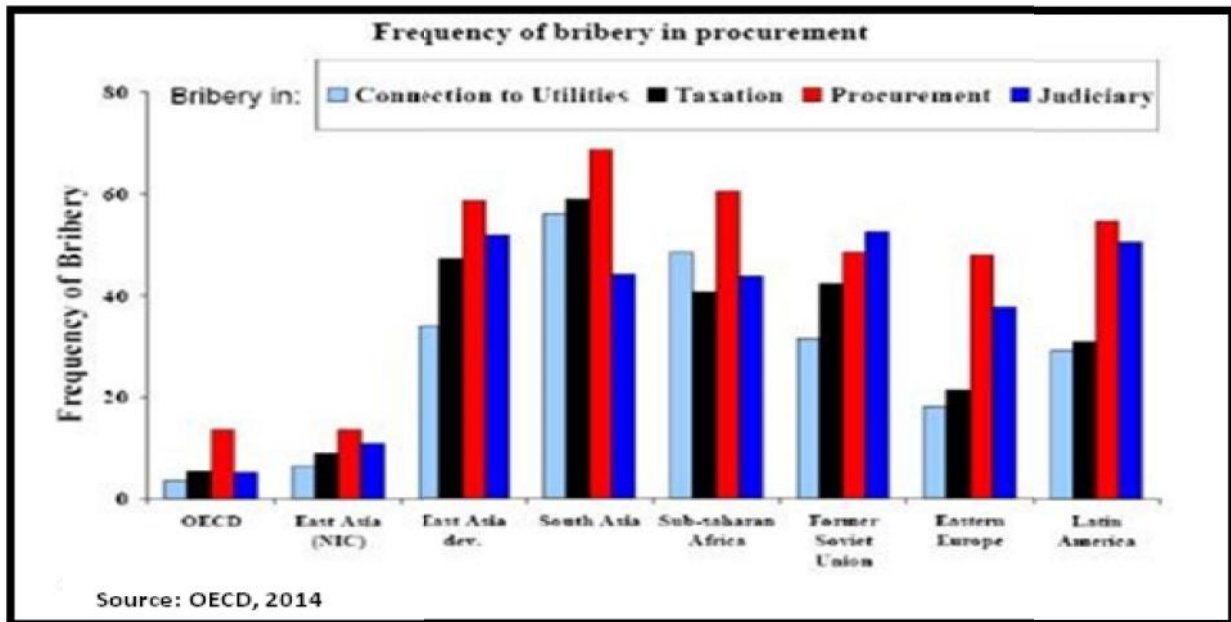
### Introduction-Setting the context

#### **Prologue:**

The Roads and Highways Department (RHD), under the Ministry of Road Transport and Bridges, is responsible for building and maintaining national highways, regional highways, feeder roads that connect Upazela and Zela headquarters to the arterial road network, bridges and culverts. Additionally, RHD operates ferries of various types and sizes to link the rest of the system. RHD is the road authority in Bangladesh which is responsible for the management of major road network. Proper maintenance and management of these communication systems is a fundamental requirement to the national economy. RHD receives a healthy allocation from the government's development budget. *Annual Budget Document June 2016*, suggests that in fiscal year 2016-2017, RHD has an allocation of the 109.1 billion. The current chapter argues that this large volume of procurement related transactions without proper financial management provide a fertile ground for breeding corruption.

TIB finds that financial mismanagement of development projects is one of the major reasons behind Bangladesh's position in corruption perception index as the most corrupt country from 2001 to 2004. Transparency and accountability practices in public procurement contribute towards the sound management of public expenditure which in turn can contribute towards the effectiveness of public sector management. Public procurement accounts for at least 15 percent of global Gross Domestic Product and it is the largest share of government spending. In Bangladesh 75 percent budget is incurred through public procurement. Transparency International estimates losses from corruption in global context between 10% and 25%, and in some cases as high as 40 to 50%, of the contract value; consequently, at least \$ 400 billion a year is lost to bribery and corruption in public procurement globally. Hence, procurement has been globally identified as the fountain-head of corruption in the public sector (See figure: 1.1).

**Figure: 1.1: Frequency of Bribery in Public Procurement in the Global Context**



*Ellmers*, unfolded that public procurement is a public policy tool, translating development finance into particular economic and social outcomes. The annual volume of public procurement in Roads and Highways Department is estimated to be around 100.0 billion in Bangladesh. More importantly these figures are increasing along with the increasing trend of development outlays over the years. The limited public resources in developing countries especially in Bangladesh should be properly managed to get the most out of these resources.

**Statement of Problem:**

The relationship of public procurement to the governance agenda seems to be obvious to anyone involved in development projects. Procurement represents the translation of the agreed design of the project into detailed specifications, leading to the contracting and implementation of works, goods, and services to be financed. The public perception is that procurement is rife with fraud and corruption and represents the Achilles’ heel of public sector management in developed and developing countries.

As a developing country with limited resources, Bangladesh is largely dependent on foreign assistance for its national development. According to the TIB findings in Roads and Highways Department in Bangladesh, public procurement contracts have been a major source of

corruption in the administration. Widespread corruption is involved in determining the path a new feeder road should follow. It is quite common for affected landowners to bribe junior level RHD officials or use of their political connections to change the course of a road. In engineering supply contracts e.g. spare parts for ferries, original or genuine parts are never supplied. The contractor, after paying bribes to the RHD hierarchy, has to make some profit for himself after all. The rates of bribe paid to the different levels of RHD officials are well established and known to all relevant parties. Corruption in public procurement of Roads and Highways Department manifests in three forms.

*The first* is misappropriation of funds which is done through siphoning off part of the payment of goods and services into bank accounts under false names or acquiring more goods than needed with an aim to use the surplus for personal benefit.

*The second* form is bribery or kick-back. Procurement officials demand kick-backs for the award of a contract. Kickback may include a percentage of the value of the contract, gifts, the promise of future employment, and a financial or ownership stake in a business or partnership.

*The third* is nepotism by which preferential treatment is given to businesses or people who are linked to the families and friends of public officials. On the other hand, fraud is a common form of corruption committed by bidders. It includes deliberately disclosing false information about the past financial record, resources and capital value of a business, and its capacity to deliver the goods and services, or implement the contract in question. All the above mentioned forms of corruption are prominent in RHD committed by both public officials and the bidders while processing procurement. Furthermore, violent acts like obstruction to submitting tenders and snatching of tender box are also been reported in some instances.

Public procurement is at the interface of the public and private sectors, which requires close cooperation between the two parties to achieve value for money. It also requires the sound stewardship of public funds to reduce the risk of corrupt practices. Public procurement also increasingly considered as a core element of transparency and accountability to the public on the way public funds are managed (OECD, 2009)

Transparent and accountable system of procurement ensures value-for-money outcomes. It raises high level of public confidence regarding fair dealing in relation to procurement process. *Schapper et al, 2006*, stated that the social and economic costs of corruption in public procurement are very high in developing countries. The corrupt procurement environment manipulates decision- making with an aim to divert the provision of services from those, who need them to those, who can afford them. The impact of corrupt public procurement is more damaging in the countries which have the least capability to prevent, detect, and stop its debilitating effects.

Although Public Procurement Act and Public Procurement Rules delineate provisions for transparency and accountability in different stages of the procurement chain, transparency and accountability may not be established in public procurement system. Since the procurement legal and regulatory regime allows only the bidders and public officials in processing procurement it is likely that an unholy nexus will be forged between them based on personal gain, resulting in by-passing of transparency provisions. There is no institutional space in RHD to ensure transparency and accountability in the procurement process.

### **Objective of the Study:**

Transparency and accountability are integral elements of practicing effective public governance and also essential for growth and development of Bangladesh. RHD is responsible for communication and maintenance of the major road and bridge network of Bangladesh. Therefore, ensuring transparency and accountability in public procurement of Roads and Highways Department is very crucial for the desired development of Bangladesh. Questions are being frequently asked that transparency and accountability practices in public procurement of RHD are major challenges. The present study is an attempt to address these frequently raised questions. The objectives of the current study are as follows:

- *To measure the level of transparency and accountability in procurement practices of Roads and Highways Department.*
- *To examine the financial management in public procurement practices of RHD.*



The main objective of this study is to promote fairness, transparency and accountability in procurement of Roads and Highways Department with the aim of ensuring proper management of public funds. It is in view of this gap that the researcher will seek to establish the challenges in achieving transparency and accountability in procurement practices by procurement entities and Roads and Highways Department in Bangladesh.

### **Research Questions:**

The study aims to answer a couple of questions related to the public procurement practices of RHD in ensuring transparency and accountability of Government of Bangladesh (GOB) funded projects. The findings of the queries will render the researcher to illustrate the prevailing condition, identify weaknesses in the system, as well as leave scope for recommendations for further improvement, depending on the findings. The key questions that the study attempts to explore are:

- *What is the present state of affairs of Transparency and Accountability maintained by stakeholders in Public Procurement Practices of Roads & Highways Department?*
- *Is managing financial regulation a major challenge in Public Procurement Practices in RHD?*

### **Rationale of the Study:**

The broad objective of the current study is to explore the present state of transparency and accountability in procurement practices in Roads and Highways Department of Bangladesh. Transparency and accountability in procurement practices has not yet been studied in the context of Bangladesh so we have no knowledge about how procurement entities manage their transparency and accountability requirements in their practices. Thus, this study hopes to provide significant contributions to the relevant theories and practices. The current study emphasizes on the state of transparency and accountability practices in procurement of Roads and Highways Department. Transparency and accountability practices in public procurement contribute towards the sound management of public expenditure which in turn can contribute towards the effectiveness of public sector management. Besides, the objective of public procurement is to provide quality goods and services through open and fair competition in the

exact quantity and proper quality as specified, and has to be delivered at the time and place where needed. The quality of goods, services, infrastructures, and the effectiveness of public services much depend on well-managed public procurement.

### **Scope of the Study:**

Transparency and accountability in public procurement have been at the centre of academic interest for quite some time. Policy makers as well as development practitioners emphasize on transparency and accountability in public procurement not only to strengthen the foundation of democracy but also to ensure transparent and accountable effective public governance. Studies have been conducted to explore the practices of transparency and accountability in public procurement. The present study focuses on the level of transparency and accountability at the procurement practices of RHD. Besides measuring the level of transparency and accountability in procurement practices maintained by the stakeholders in Dhaka- Mymensingh Four Lane Project of Roads Highways Department, the study also explores the factors impeding to ensure transparency and accountability in procurement practices. It also reveals the financial misappropriation for the sake of corruption in different stages of project implementation. There is no study done on transparency and accountability practices in public procurement nationally and globally yet.

### **Research Methodology:**

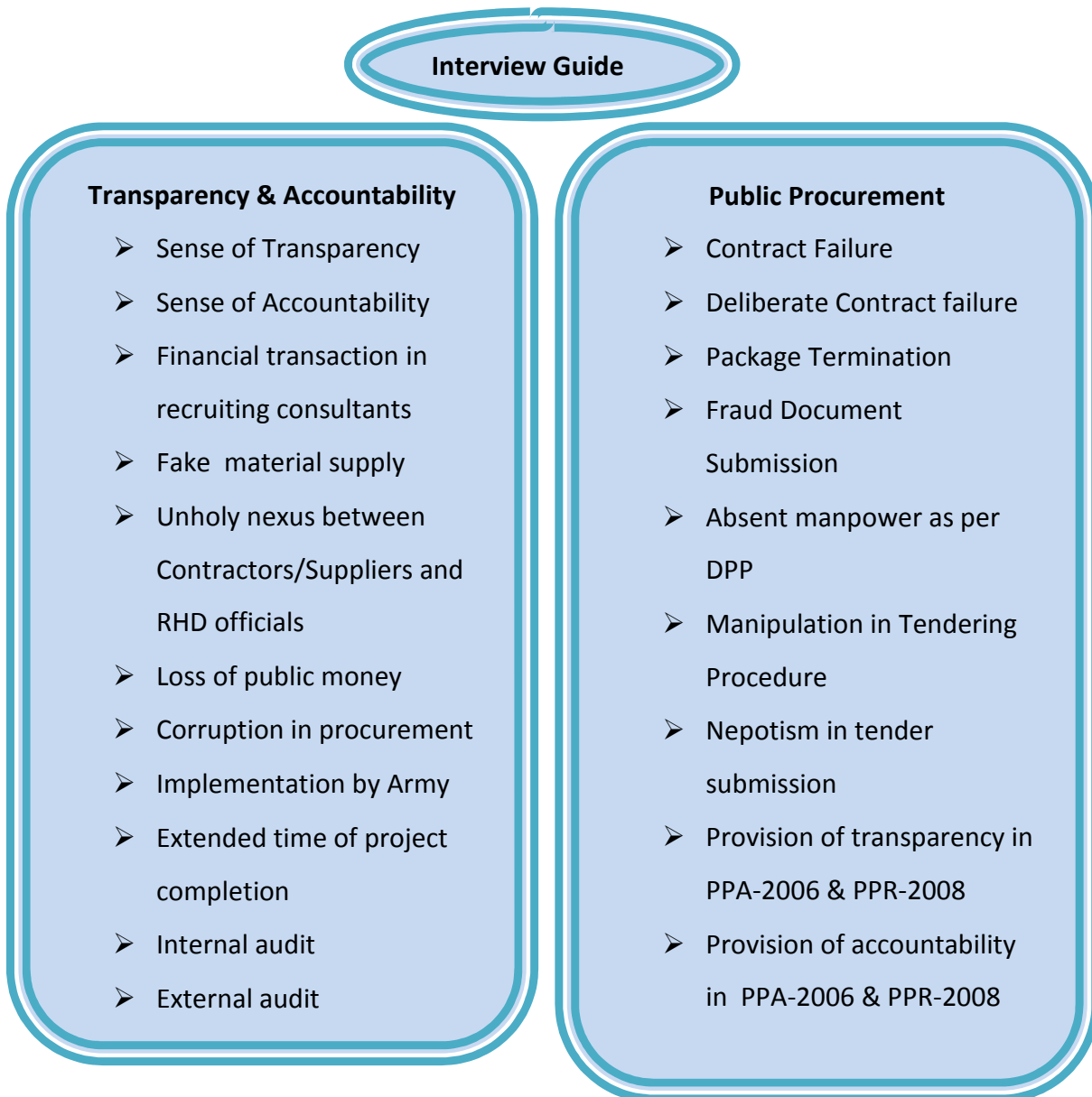
The study seeks to explore and measure the level of transparency and accountability in public procurement practices in RHD. In this case a combination of qualitative and quantitative method has been applied to attain the objectives of this study. Qualitative data is collected through interviewing five target groups, comprising 20 respondents. The respondents for questionnaire survey comprises of 60. These will help the research to present an in-depth analysis of areas that need attention so as to make the practices of procurement more effective. The sample size is 60, and purposive sampling technique is used to select the population, comprising members of RHD department, technical professionals, contractors, project personnel, engineers of Engineering Construction Battalion and local literate people. Techniques of data collection entail both primary and secondary modes. Three methods are

used to collect primary data, in depth interview, questionnaire survey and case study. The following table (Table 1.1 and Table 1.2) show detail outline of the empirical approaches followed:

### **Data Collection:**

Both Primary and secondary data have been used in the study. Primary data has been collected through in-depth interviews. For the current study, in-depth interviews of key personnel of Roads & Highways Department have been conducted with a view to achieve important insights of transparency and accountability management in procurement from a strategic point of view. The interviews help to understand the current scenario and information about the state of transparency and accountability management. The sources of secondary data comes from content analysis of public policy, published books, research reports, journal articles, manuals, official document, unpublished dissertations, government policies and publications, official website of the government organizations as well other relevant websites too, newspaper and published and unpublished document in printing and online of related interest. This content analysis helps the study to identify and understand the relevant concepts and theories. It also helps to find out the adequate data in the line with current study's objectives. Survey Questionnaire (Annexure-I) has been used to interview purposive selected respondents of which fifty are technically professional and ten are local literate people. Major part of the primary data which is needed to address the research question will come from the in-depth interviews. The following Interview guide has been applied for taking in-depth interview of project personnel, concerned engineers, and external auditors including electronic and print media. Questions are mainly open ended in the line with transparency and accountability practices in public procurement of Dhaka-Mymensingh Four Lane Project. The financial management of this project is also in the concern of in-depth interview.

**Figure: 1.2- Areas of in-depth Interview**



**Source: Self Compiled**

**Sample Size and Selection Criteria:**

The study targeted key office of Roads & Highways Department with regard to tender committee members in Chief Engineer’s office, contractors, suppliers, engineers and external

auditors who are the stakeholders of public procurement. The study also targeted local literate people and media to explore the public perception of procurement of RHD.

**Table: 1.1 Target Groups for in-depth Interview**

Category of Respondents	Number
RHD officials	05
Project personnel	04
External Auditors	03
Media	03
Arm Forces (ECB-17) <sup>1</sup>	05
<b>Total</b>	<b>20</b>

Survey method is intended to gather primary data about the procurement with a semi-structured questionnaire. Questionnaires were administered face to face (in majority cases) which ensure good response rate and quality of information (cited in Rahman, 2001). Questionnaires contain both close ended and open-ended questions enabling them to provide both quantitative (factual) and qualitative information.

**Table: 1.2 Target Groups for Questionnaire Survey**

Category of Respondents	Number
Executive Engineers	08
Sub Divisional Engineers	07
Suppliers/Contractors	08
Project Personnel	09
External Auditors	10
Local Literate People	10
ECB Personnel	08
<b>Total</b>	<b>60</b>

---

<sup>1</sup> Engineering Construction Battalion of Bangladesh Arm Forces entrusted in 2012 to complete two packages of Dhaka-Mymensingh Four Lane Project.

### **Data Analysis and Presentation:**

In this dissertation, the researcher applied both descriptive and inferential analysis. Under descriptive statistics, frequencies, means and percentages were used to analyze the data. The data correlation technique was used and regression model used to run dependent variables against the independent variables. In some cases, charts and tabulators have also been used to present the findings of the data in graphic manner. The report that follows presents the level of transparency and accountability in procurement practices at the purchase and supply in Roads and Highways Department especially in construction and works area along with way forward for further enhancement of the situation. The study is based on empirical data collected from Roads and Highways Department. But collecting primary data from such type of remarkable office and arm forces is not easy task. Endless limitation persists before and during the study which may impact on output and outcome of the study.

### **Organization of the Thesis:**

The present thesis has been divided into six chapters. *The first Chapter* has an introduction to the key elements of the study i.e. background information, Statement of Problem, Research Objectives, Research Questions, including Methodology, Sample size, Data analysis and presentation. The Chapter also followed discussions on the Rationale, Limitations and Scope of the study. *The Second Chapter* introduced the literature review, theoretical lenses which ended up with analytical framework regarding the indicators of independent and dependent variables of analysis to take the study way forward. *The Third Chapter* gives an overview of Public Procurement Rules that have been practiced by the Roads and Highways Department while implementing Dhaka-Mymensingh Four Lane Project as a unit of analysis of the study. *The Fourth Chapter*, the data are sequentially presented in accordance to the indicators of transparency variables for framing the analytical framework of the study. *The fifth chapter*, the data are used in line with the indicators of accountability variables for analyzing the pertinent issues of this project. *The sixth and final Chapter* of the thesis gives a synopsis of present study findings and indicates some way forward followed by concluding remarks.

**Epilogue:**

Transparency and accountability in public procurement has been for quite some time regarded as one of the cornerstones of effective public governance but there always exist divergences between the rhetoric and reality in the context of Bangladesh. Ensuring transparency and accountability of the procurement practices is also an important determinant of efficiency because it enhances and encourages competition by giving all potential suppliers a chance to bid. Transparency is crucial for sound decision making in procurement. There was an agreement that transparency is among the most effective deterrents to corruption in public procurement (OECD, 2006). This is used as a mechanism to keep procurement officials and contractors accountable. Thus lack of transparency leads to lack of accountability. The procurement system that is envisioned to contribute to effective service delivery is expected to be both accountable and transparent. Transparency and accountability have been recognized as key conditions for promoting integrity and preventing corruption in public procurement. This research has argued that despite a modern procurement law in Bangladesh, the level of transparency and accountability, in public procurements is still far from expected destination. The present thesis endeavors to address the level of transparency and accountability in public procurement practices of Roads and Highways Department. It also tries to explore the financial management of RHD in practicing public procurement.

## **Chapter - Two**

### **Literature Review and Analytical Framework**

#### **Prologue:**

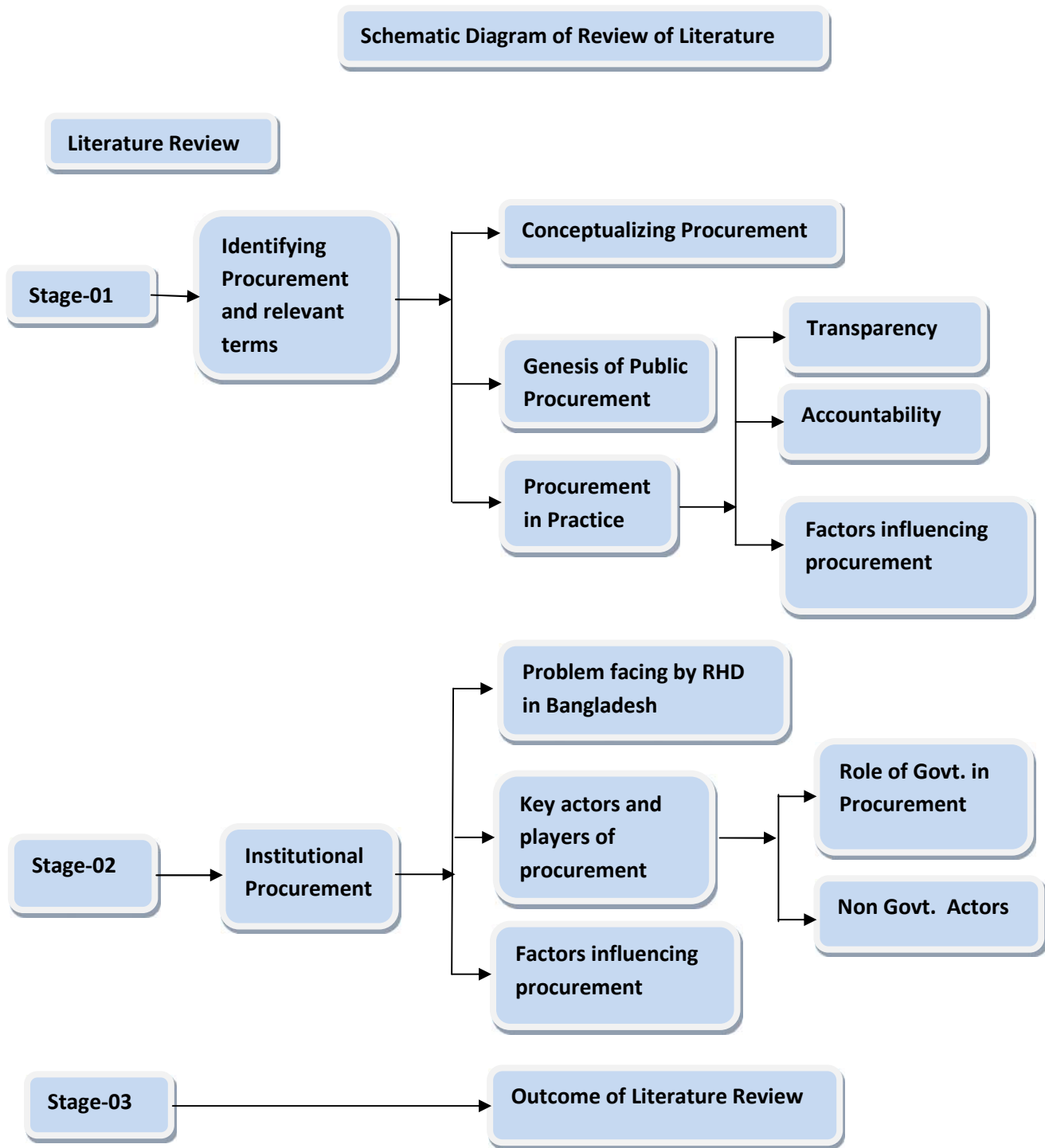
This chapter provides the review of the related literature. Fellows and Lui (1997) suggest that it is essential for at the early stages of all research studies to search for and to examine potentially relevant theory and literature. They also state that theory and literature are the results of previous research projects. They define theory as the established principles and laws which have been found to hold and define literature as the findings from research which have not attained the status of theory and often represent findings from research into particular application of theory. The aim of any literature review including this one is to provide the reader information about the state of the art, knowledge and main issues regarding the topic which informs and provides rationale for the research undertaken. The literature review is structured as shown in the (Figure 2.1 below). It is structured in 3 stages, the initial stage is to define the topic and relevant terms, the second stage is to explore the literature in the context of RHD institutional level, and third and final stage of the literature review is the outcomes which the researcher has deduced from conducting this examination of theory and literature.

#### **Literature Review:**

Numerous studies on transparency, accountability and public procurement have been presented by scholars and practitioners in different parts of the world. Various studies and researches are found which focused on different aspects of transparency and accountability including their principles and mechanisms, but few researches have focused upon the practice of transparency and accountability in public procurement at the institutional level. Khi V.Thai (2001) in his prominent book *Public Procurement Re-examined* states that Public procurement has been a neglected area of academic education and research, even though public procurement is alleged as a major function of government and governmental entities, policy makers and public procurement professionals.



Figure: 2.1- Schematic Diagram of Literature Review



Source: Self Compiled

Public procurement has an extensive history. It was written on a red clay tablet, which found in Syria, the earliest procurement order dates from between 2400 and 2800 B.C. The order was

for '50 jars of fragrant smooth oil for 600 small weights in grain' (Coe, 1989, p. 87). Other evidence of historical procurement comprises the development of the silk trade between China and a Greek colony in 800 B.C. (Khi V. Thai, 2001). Public procurement is prevailing in the world from the very beginning of human civilization of the world but we have least amount of history regarding transparency and accountability practices in public procurement.

Public procurement is inherently a politically sensitive activity, not least because it involves significant amounts of public money even within the context of a national economy. There is no doubt among policy makers, managers, professionals and academics about the importance of public procurement in facilitating government operations in both developed and developing countries. Public procurement is increasingly recognized as a profession that plays a significant role in the successful management of public resources. A number of countries have become more aware of the importance of procurement as an area vulnerable to mismanagement and corruption and have thus institutional efforts to integrate procurement in a more strategic view of government efforts. Bodo Ellmers (2011) in his prominent book *Helping or hindering? Procurement tied aid and the use of country systems in Bangladesh*, defines that Public procurement is a public policy tool, translating development finance into particular economic and social outcomes. Public procurement, also known as public contracting, is a multi-step process of established procedures to acquire goods and services by a government. The author opines that public procurement in the context of development project within the construction is about the acquisition of project resources for the realization of a constructed facility.

Jeanette Raymond (2008) in her book *Benchmarking in Public Procurement*, states that the function of transparency is important in procurement and it refers to openness. She further states that the recipients of clandestine payments may not only be the officials who are responsible for decision making but also ministers and political parties. Jeanette Raymond, states that accountability is an important principle of government procurement and comes into play at both the national and international levels. At the international level, governments are often involved in trading activities and procure goods and services such as defense equipment, provide or receive aid, and operate diplomatic posts in other nations. According to Raymond

the conduct of these activities results in financial risk exposures, and accountability problems. She argued that at the national level public sector managers have to deal with a more competitive environment than has been the common practice in the past. Jeanette Raymond argues that transparency in construction procurement both in the public and private sectors provides an assurance for both domestic and foreign investors that contracts will be awarded in a fair and equitable manner.

According to Armstrong (2005) transparency is a key requirement of modern public procurement system since it gives access to laws, regulations, policies and practices of procurement by government agencies to the public. Lack of it is a major impediment to sustain economic growth, sources of unwholesome activities such as corruption, scandal and abuse of public resource. The author argues that government procurement is one area where corruption is rampant in both developing and developed countries and also in both public and private sector. Brinkerhoff (2004) identifies key components of accountability i.e. measurement of goals, justification of results and punishment for non-performance. He further noted strategies to increase accountability which includes; information system, watchdog organization, civil organizations to demand explanation of results, performance incentives and sanctions for poor performance. Authorities are expected to provide excellent services to their constituents in an effective and transparent manner hence utilization of ICT will enhance the procurement process in the public sector.

Rex Deighton-Smith (2004) in *Regulatory transparency in OECD countries: overview, trends and challenges, journal* states that transparency is an essential aspect of ensuring accountability and minimizing corruption, and has gained prominence in Organizations for Economic Cooperation and Development (OECD) countries. It is particularly associated with the rise of the governance agenda as transparency is a core governance value. Transparency requires governments to adhere to higher standards of conduct by ensuring that conduct to be open to scrutiny. He further argues that transparency promotes trust by allowing stakeholders to see and judge the quality of government actions and decisions. The author inferences that in all markets, a lack of transparency in the sense of absence of information on rules and practices could operate as a

barrier to trade and may affect foreign suppliers more than local ones. These rules also ensure that goods and services are obtained at the most economic prices and thus lead to a reduction in costs. The author further states that the corruption has a link with globalization, foreign direct investment and award of government contracts. Barrett (2000) states that managing the risks associated with this complex competitive environment have given rise to accountability problems. The reason is due to the non clarity of the roles and responsibilities of the participants in the process of procurement. The author also argues that the public is also increasingly demanding greater accountability in procurement.

According to UNDP (2010) report, access to key procurement information in a civil society, media and other stakeholders directly affects accountability. The report noted that technology increases transparency and competence among suppliers through clear and comprehensive bidding procurements and contracts in the procurement process. OECD (2007) report, a transparent procurement process requires legislative and administrative measures such as transparent proceedings, protection against corruption, fair pre-qualification procedures, transparent selection of the winning bidder, publication of procurement plans, dissemination of information concerning lists and registries of suppliers and procedure to apply for registrations. Moreover, OECD (2009) noted other transparency measures that includes open bidding procedures, prompt notifications to successful as well as unsuccessful bidders, publication of annual procurement plans, bid challenges system, engaging the private sector in the procurement system, keeping a complete and adequate records of procurement system.

Tan,Chong and Uchema, (2009) noted that public procurement has been overshadowed with inefficiency, corruption and disregard" value for money" considerations. Wymer and Regan, (2005) noted that access to procurement and other non-public information could affect a contact bid or the award process. Improper disclosure of such protected information violates laws as well as ethics and could be subject to criminal penalties. Wee, (2002) noted that ethics and the moral principles that guides officials on their work which encompasses concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. He further noted that ethical behavior supports openness and accountability in procurement process and gives

confidence to suppliers. Ethical behavior reduces the cost of management risks with fraud, theft, corruption and other improper behavior and enhances confidence in public administration. Amos and Weathington, (2008) noted that the effective way to maintain ethical awareness is through ethical training and seminars on areas such as procurement procedures, record keeping, records management and accountability and administrative law. The author noted that regular audits of procurement process and financial records could influence the model of procurement process positively.

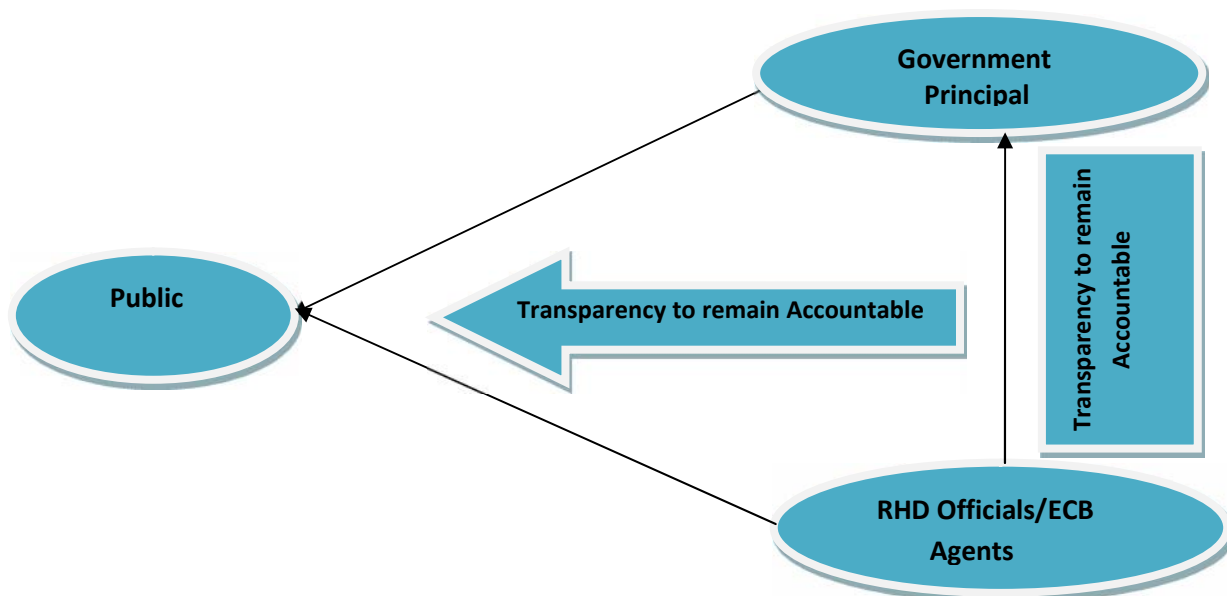
Simon J. (2005), states that transparency and accountability practices in public procurement contribute towards the sound management of public expenditure and which in turn can contribute towards the effectiveness of public sector financial management. Besides, the objective of public procurement is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified, and has to be delivered at the time and place where needed. The quality of goods, services, infrastructures, and the effectiveness of public services must depend on well-managed public procurement. The author concludes with the remark that transparent and accountable system of procurement ensures value-for-money outcomes. It raises high level of public confidence regarding fair dealing in relation to procurement process which can bring significant change in Roads and Highways Department's procurement practices in Bangladesh.

### **Theoretical Lenses:**

To formulate the framework for analyzing transparency and accountability practices in public procurement, the principal-agent relationship concept has been drawn upon as the conceptual framework for the present study. Numerous theories have not been found for analyzing transparency and accountability from procurement aspects, but the Principal-Agent relationship theory is mostly applicable to measure the level of transparency and accountability in public procurement. In a principal-agent relationship, one party – the *agent* – is required to perform some service on behalf of the other party – the *principal*, who involves the delegation of some discretion and decision-making authority.

On the basis of principal-agent relationship the researcher endeavors to show the triangular among public, government and RHD officials. If the politician or public representative who are elected by the votes of public as principal and the RHD officials who are paid by the tax payer's money as implementing agency, principal hires agency on behalf of government to perform the job. Agency implements the activities on behalf of principal. Both need to be transparent to remain accountable to the public. To ensure the quality of works Government hires Arm Forces agency that should be transparent to remain accountable to the people. From these aspects the following diagram shows a conceptual framework regarding principal-agent relationship in this study:

**Figure: 2.2- Conceptual Framework for Analyzing Public Procurement**



**Source: Self Compiled**

The problem highlighted by the agency model is that often there will be a divergence between the actual decisions made by agents and the decisions that would maximize the principal's benefits. This divergence arises because, when making a decision, agents also seek to maximize their own self-interest. Therefore, whenever the agent's actions are for the sole benefit of the principal, the former will engage in a lower level of effort instead of a high level. The purpose has to apply the principal-agent model is to provide a positive analysis of transparency and accountability in public procurement. More specifically, it explains, in principal-agent

terminology, the way in which most domestic procurement systems seek to ensure the accountability of their procurement officials before the government and the general public. In addition, it examines whether international or regional agreements on public procurement have the potential to strengthen the accountability of national procurement officials.

Ensuring transparency and accountability of procurement officials of RHD is the most essential aspect of this goal. The transparency and accountability of procurement officials is not only important from a public or administrative perspective, but also has economic implications. These economic implications have three main dimensions.

*Firstly*, on the procuring side, a lack of accountability on behalf of procurement officials may lead to additional costs, such as corruption, favoritism or nepotism; replace the objective commercial criteria, which enable contracting authorities to cut the deal with the best possible terms.

*Secondly*, on the business community side, in the absence of accountability, potential suppliers are less encouraged to value government business and provide high-quality goods and services. This, in turn, distorts incentives in the market place as less efficient suppliers are chosen at the expense of efficient suppliers, who go unrewarded, and are thus unable to remain viable and productive.

*The third* economic dimension of accountability in public procurement concerns the rest of the society, which is affected by the actions of both the government and the business community. The public interest therefore requires that governmental business is done in a manner guaranteeing that expenditures are made in the most economically rational way. This is required both to save on tax-payers money on the one hand, and to ensure the long-term growth of the market by allocating contracts to the most efficient contractors, on the other hand.

The problem of accountability in the context of public procurement stems from the fact that achieving professionalism requires the delegation of decision-making authority from elected representatives to procurement officials. This is necessary because procurement officials have

greater experience and superior knowledge as to what kind of goods; services or works are best suited for the public authority's purposes and how to obtain these requirements on the best possible terms. Many researchers found that, delegation of discretionary power from elected representatives to the bureaucracy is likely to occur even in cases where such delegation involves costs. This is because delegation confers a benefit to legislators, allowing them to rely on the bureaucracy to formulate the policies that they themselves would have formulated if they had the knowledge, time and resources to formulate them. Thus by delegating discretionary powers to the bureaucracy, legislators may expand the scope of politically relevant activity available to them.

The problem with delegation however, is that to the extent that the procurement official's personal objectives override those of his principal (the government, the public interest or both), there is a danger that the former will show apathy to the procurement outcome in the best case, or discriminate in favor of family, friends and interest groups, or accept bribes, in the worst case. Shirking and corruption by procurement officials is likely to occur for three main reasons.

*Firstly*, the actions taken by the procurement official, which result in efficiency consequences for the principal, are not always easily observed, and therefore principals may face difficulties in enforcing and monitoring their agents' behavior.

*Secondly*, as already mentioned above, officials will usually possess superior knowledge and expertise on specific issues than their principal. Thus even in the absence of the observation problem, the principal may find it difficult to determine whether the agent's actions actually promote his best interests, or whether his actions are motivated by other self-interest considerations overriding the principal's preferences.

*Lastly*, due to high sums involved and the important economic scope and nature of public procurement as the intersection between the public and private sectors, a considerable attraction is presented for engagement in corrupted and unethical activities on behalf of procurement officials.



It follows that in the absence of effective control mechanisms, procurement officials are likely to involve some personal preferences, derived from their private interests, career prospects, social contacts, monetary reward or merely an aversion to effort, when making procurement decisions. In the terms of the principal-agent terminology used above, a lack of accountability means that the (procurement) agent is more likely to engage in a low level rather than a high level of effort when performing his tasks. The challenge faced by public procurement regulators therefore, is to ensure that the agency costs which rise when procurement agents carry out tasks for the benefit of their principal, do not exceed the benefit derived from such a delegation of decision-making authority.

The relevance of transparency and accountability in public procurement may be explained by the agency problem. Whenever there is an agency relationship, the agency problem arises because the agent always has monopoly over certain information which he can exploit to his personal benefit against the interest of the principal. Layers of principal-agent relationship exist in the public procurement process. For example the politician in government who uses public funds to procure for public good acts as an agent of the citizens who are the eventual principals as they vote to elect the politician into power. Very often the power of the citizenry to hold the politician accountable may coalesce into civil society organizations who may act to exact that authority on their behalf. But the government as a buyer uses its agents, the public procurement officials in the actual process of buying. In this regard the officials become the agents of government.

Agency theory attempts to describe the agency relationship, in which one party (the principal) delegates work to another party (the agent), who performs that work (Eisenhardt, 1989). Two problems can arise in such relationships, the desires and goals of the principal and agent can conflict, and it is difficult for the principal to verify what the agent actually is doing. Principal-agent researchers are concerned with a general theory of the principal-agent relationship, a theory that can be applied to employer-employee, buyer-supplier and other agency relationships. Agency theory is most relevant in situations in which contracting problems are

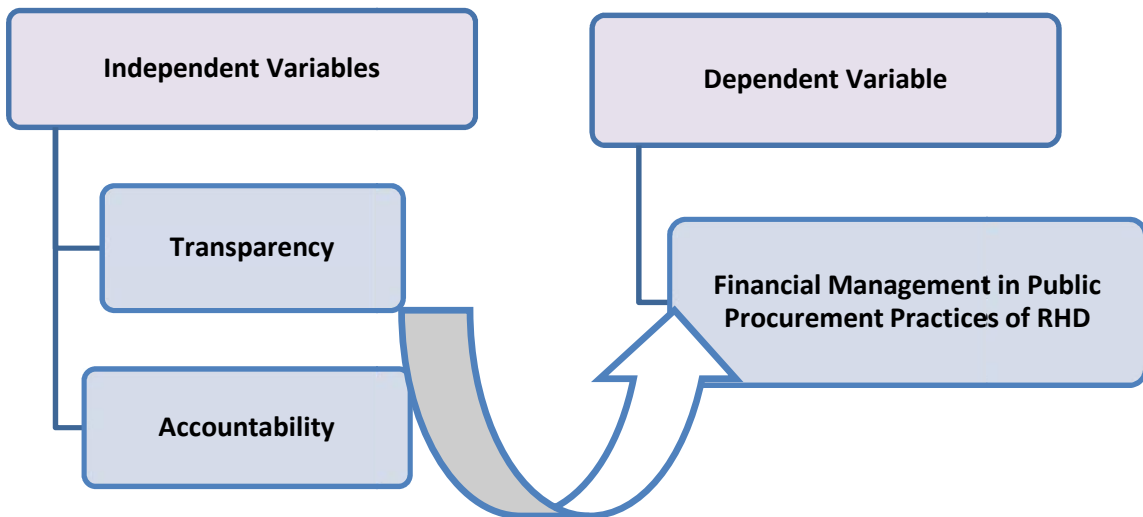
difficult. These include situations in which there is a substantial goal conflict between principals and agents and sufficient outcome uncertainty to trigger the risk implications of the theory.

Public procurement officials, because of their strategic position in the public procurement process, are arguably the controllers of information on procurement activity from the planning phase through the contract award process to contract management stage. In procurement, it is the problem of this information asymmetry that may accentuate the agency problem.

**Analytical Framework:**

The variables that have been used in the study are the independent variable; transparency and accountability as well as the dependent variable which is the financial management in public procurement practices of RHD.

**Figure: 2.3-Analytical Framework**



**Source: Self Compiled**

As there is no framework on transparency and accountability practices in public procurement the author shaped an uncomplicated and self explanatory framework. It shows that there are

two major factors stated one is transparency and another is accountability which affects financial regularities and procurement practices of RHD. Transparency in financial management ensures the accountability. Both transparency and accountability affect the financial regularities in procurement practices of RHD.

**Figure: 2.4-Breaking Points of Independent Variables**



**Source: Self Compiled**

The above figure presents the indicators selected for the independent variables and the assessing criteria. Indicators of independent variables indicate the level of transparency and accountability. Practices of assessing scale ensure the practices of independent variables. The assessing scales of the independent and dependent variables assess the level of transparency and accountability and also indicate the financial irregularities in public procurement practices of Roads and Highways Department of Dhaka-Mymensingh Four Lane Highway Project. The practices of these indicators of independent variables explore the real picture of transparency and accountability practices in public procurement in Roads and Highways Department. All the indicators have practice in RHD except Whistleblower protection as there is no whistleblower

protection act enacted in Bangladesh. But whistleblower protection is one of the most important determinants to ensure transparency and accountability in an institution like RHD.

**Chart: 2.1-Assessing Scales for Independent Variables**

Independent Variables	Indicators	Assessing Scale/Criteria
<b>Transparency</b>	<ul style="list-style-type: none"> <li>➤ Access to information</li> <li>➤ Disclosure/openness</li> <li>➤ Whistleblower protection</li> </ul>	<ul style="list-style-type: none"> <li>➤ Complete, timely, and accurate information</li> <li>➤ Equal access and opportunity to all qualified suppliers</li> <li>➤ Open and frequent communication between procurement and the supplier community</li> <li>➤ Complying with existing legislation, regulations, and/ or international agreements that guide transparency-related requirements for the organization.</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>➤ Reporting/Record keeping Mechanism</li> <li>➤ Internal Audit</li> <li>➤ External Audit</li> <li>➤ Watchdog Agency</li> </ul>	<ul style="list-style-type: none"> <li>➤ Appropriate separation of functions and responsibilities.</li> <li>➤ Timely response to a legitimate request for information.</li> <li>➤ Compliance with relevant financial and other delegations.</li> <li>➤ Appropriate management reporting and evaluation processes.</li> <li>➤ Accurate record keeping with appropriate records being maintained throughout the procurement process.</li> <li>➤ Provide sufficient information to enable internal audit and external audit.</li> </ul>

**Epilogue:**

This chapter focuses on the review of literature, relevant theories of transparency and accountability in public procurement and analytical framework for this study. The current study has not found any specific theory or framework that would fit to examine the transparency and accountability in public procurement of Roads and Highways Department of Bangladesh. Analytical framework has been designed from the existing theories like relating principal-agent relationship theory. Agency theory has two aspects one is from sociology perspective another from economic point of view. This study emphasizes only on economic perspective. Besides agency theory there are some theories regarding to address transparency and accountability in public procurement of Roads and Highways Department of Bangladesh. The auction and competitive bidding theory, transaction cost theory and contract theory also play significant role in analyzing transparency and accountability practices in public procurement which are found in numerous studies in the different corners of the world relating to public procurement.

## **Chapter - Three**

### **Public Procurement in Roads & Highways Department**

#### **Prologue:**

Public procurement is the buying of goods and services on behalf of a public authority, such as a government agency. Governments spend public monies to secure inputs and resources to achieve their objectives and by doing so; create significant impact on key stakeholders and wider society. In addition, government purchasing impacts both domestic and international trade given that governments spend approximately 10 to 15 percent of their GDP in the procurement marketplace. Hence, public procurement plays a significant role in the global economy. In public procurement the goals of fairness, competition and economic value are paramount. To achieve these goals, effective and efficient procurement processes must be established. This includes incorporating adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds. In this context, transparency and accountability are considered to be the most effective tools to deter corruption and ensure value for money. Roads and Highways Department of Bangladesh is an institution which plays significant role in economic growth. Ensuring transparency and accountability practices in public procurement of RHD also plays momentous role in national economy. This chapter tried to provide a comprehensive picture on the public procurement systems in RHD. Nonetheless, since public procurement is a broad topic related to different policy issues, the study tried to focus solely on the regulations and practices connected to transparency and accountability.

#### **Public Procurement Regime in Bangladesh:**

There are no direct provisions in the constitution of the People's Republic of Bangladesh that related to public procurement; nor there is a right explicitly provided to honest and open governance. The constitution has, however, expressly entrenched such basic values as the rule of law, democracy, and justice, which can be interpreted to be the sources of public obligation

for maintaining integrity in state activities. Despite the absence of direct constitutional provisions, the institutional and legal frameworks for public procurement in Bangladesh are of recent origin.

The constitution vests the executive powers of the Republic in the Prime Minister, who in the discharge of governance functions takes support and advice from a cabinet<sup>2</sup>. The constitution, however, mandates that all powers of the state must be exercised on behalf of the people and only under the authority of the constitution. The executive organ of the state has thus the constitutional competency to enter into award public contracts for the purpose of procuring goods and services. The above provisions of the constitution and the nation's foundational values confirm that good governance or rule of law imperatives are constitutionally inherent, which undoubtedly bind the public procurement regime. Also importantly, the recently enacted Right to Information Act 2009,<sup>3</sup> which requires an information delivery system to be set up in government departments and ensures the citizens' right to have information about their rights or entitlements, can be regarded a major contribution towards establishing a transparent public procurement regime.

Public Procurement System in Bangladesh is decentralized. However, while every single department can procure services or goods, it is the Ministry of Finance and the Ministry of Planning which have some distinct responsibilities vis-à-vis public procurement.<sup>4</sup> For example, to facilitate an efficient and open system of public procurement in Bangladesh the Central Procurement Technical Unit has been working since 2002, providing for, among other things, information and technical knowledge-how required in public procurements.<sup>5</sup> Since 2006, the CPTU has been acting under the legal basis given to it by the Public Procurement Act (PPA)

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<sup>2</sup> Constitution of the People's Republic of Bangladesh, Article 55 (2)

<sup>3</sup> Notified on 6 April 2009, the RTI has been put into effect since 20 October 2008 (the day on which the RTI Ordinance 2008 was promulgated).

<sup>4</sup> The powers and responsibilities of various ministries and government agencies are allocated by virtue of Rules of Allocation of Business 1996, promulgated by the President under Article 55 (6) of the Constitution.

<sup>5</sup> Please visit: <<http://www.cptu.gov.bd>>. The CPTU is an administrative cell under the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning of the Government of Bangladesh.

2006. On the other hand, the Ministry of Finance issues, from time to time, instructions as to financial powers which public entities may exercise in procuring goods or services.

Until the enactment of the PPA in 2006, the legal regime of public procurement in Bangladesh was based on procedures and practices that date back to the British era. For example, the *Compilation of General Financial Rules*, originally issued under the British rule, which broadly outlined the principles governing government contracts, remained the primary legal framework for public contracts and procurements (World Bank, 2002). Building on CGFR principles, several government departments and autonomous public bodies and corporations developed their own rules and codes of practices for public contracts and largesse to follow.<sup>6</sup> Interestingly, these regulations were greatly influenced by international development agencies and banks such as the World Bank, partly because Bangladeshi public procurements tended to rely mostly on external aid.

#### **The Legal Regime:**

The legal history of public procurement systems in Bangladesh is quite turbulent. Regulations faced several challenges and were subject to many amendments in the past two decades. Two principal legal instruments to handle public procurement in Bangladesh are the Public Procurement Act, 2006 and the Public Procurement Rules, 2008, both became effective from January 31, 2008. Earlier, for the first time, the Public Procurement Regulations, 2003 provided a unified procurement processing system. The procurement practices followed until the issue of regulations dated back to 1930s when the 'Manual of Office Procedure (Purchase)' was first issued and amended last in 1977. With the enactment of the PPA-2006, more transparent and accountable procedures were introduced. PPR-2008, framed under the act, is a complete document for public procurement that provides scope for procurement under different methods. Some provisions related to procurement are Delegation of Financial Powers, Donors Guidelines and Administrative Orders etc.

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<sup>6</sup> The CGFR allowed the public departments to frame procurements rules of their own. Two such codes of procurement rules, both framed in the 1930s, are: (i) the *Manual of Office Procedure (Purchase)* compiled by the Department of Supply and Inspection, and (ii) the Public Works Department (PWD) Code.



**Electronic Government Procurement (e-GP):**

The government of Bangladesh is well aware of the irregularities and hassles associated with public procurement. To overcome these problems, the government has embarked upon a plan to introduce Electronic Government Procurement (e-GP) in the country. The e-GP is being introduced in the country to materialize the government vision for building a Digital Bangladesh. This system will be introduced in two phases. In the first phase e-tendering will be introduced in the four targeted departments. In the second phase, e-Contract Management System (e-CMS) will be introduced. Under the e-GP system the tenderers are not required to remain physically present to submit the tenders and thus the tenderers will be relieved from the coercive practices. This will broaden competition resulting in better procurement. It will usher a new era in ensuring transparency and accountability in public procurement because the Public Procurement Act and the Public Procurement Rules will have to be followed by default in e-GP.

**Methods of Procurement:**

Procurement methods are based on nature of items procured and the act explicitly categorizes the items as good, works and services (both stand alone and intellectual). There are five methods for procurement of goods and works. Procurement of intellectual services is made mainly following two methods. Stand alone services are procured using the methods of goods. The methods for procuring goods and works in Bangladesh are as follows:

**Open Tendering Method (OTM):**

The open Tendering shall be the preferred method of procurement unless the threshold or special circumstances relating to a specific requirement make it more appropriate for one of the other Procurement methods to be used. Tenders are invited from all eligible tenderers through public advertisement and tender security is mandatory under this method. Other methods of procurement may be resorted to under certain conditions and should be recorded stating the justifications for the method thus selected.

**Limited Tendering Method (LTM):**

LTM applies when goods and works are available only from a limited number of suppliers or contractors or in urgency when competitive Tendering would be impractical. LTM usually follows an enlistment process and tender security is not mandatory here.

**Direct Procurement Method (DPM):**

DPM is allowed when, for technical reasons, goods are available from only one source, or for additional procurement of goods and services from the original supplier, or for the procurement of goods, services, and works of very urgent nature. DPM is discouraged as it does not provide the benefits of competition, lacks transparency and could encourage unacceptable and fraudulent practices.

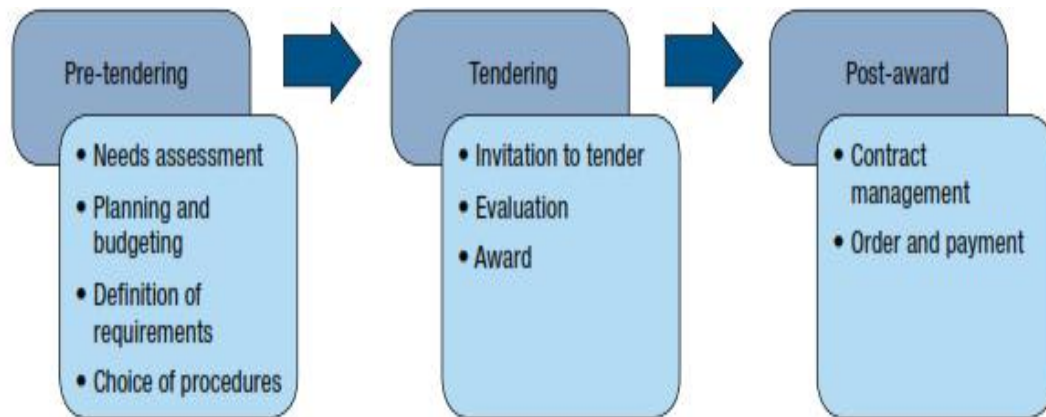
**Two-Stage Tendering Method (TSTM):**

It is followed for large complex facilities or when complete specifications may not be possible in one stage or alternative technical solutions are available in the market. In the First-Stage, a Procuring entity shall invite un-priced technical proposals through advertisement on the basis of a conceptual design and for the Second-Stage, the procedures for tender submission, opening; evaluation and award of the contract shall follow the same procedures as for Open Tendering Method.

**Request for Quotation (RFQ):**

RFQ is applied for standard off-the-shelf goods and services, low value simple works and physical services provided that the estimated value of such Procurement shall not exceed the threshold prescribed for this method. For procurement of intellectual services, mainly Quality & Cost Based Selection (QCBS) and Selection under a Fixed Budget (SFB) are used. QCBS is the preferred method that shall be used in most cases and shall take into account- (i) the quality of the Proposal and (ii) the cost of the Services. SFB is appropriate only when the assignment is relatively simple and can be precisely defined; and the budget is fixed.

**Figure: 3.1- Main Phases of Public Procurement Cycle**



**Source: OECD, 2009 (OECD) Principles for Integrity in Public Procurement**

First, the design of the process and the crafting of specification or ‘pre-tendering’ represent the project concept into the practical actions. Then the bid and award or ‘tendering’ process ensures the participation of qualitative suppliers at competitive price. Finally the contract management and implementation or ‘post-award’ ensures that what was planned and what is ultimately provided, with appropriate adaptations to circumstances. Failure at any stage can lead to poor outcome. Moreover, success and compliance at one stage are necessary but not sufficient to ensure a good outcome. As stated in World Bank’s 2012 updated governance strategy:

Traditional approaches have been based on the notion of best practice procedures. Such approaches overwhelmingly focus on regulations covering selection and evaluation procedures of suppliers, contractors and service providers. Evidence shows that such a focus on procedures in the absence of clear definition of procurement performance objectives can be lead to reduced accountability

**Key Principles of Public Procurement:**

The key principles underpinning procurement and how they can be benchmarked in the public procurement process in Roads and Highways Department will now be discussed. The effective implementations of these principles ensure the best practices of transparency and accountability in public procurement and utilization of public resources.

**Value for Money:**

Value for money (VFM) is the most important principle of procurement. VFM in the public sector entails consideration of the contribution to be made to advancing government policies and priorities while achieving the best return and performance for the money being spent. Sometimes the government is at liberty to consider other criteria than the lowest price; for example technical capabilities, qualifications of key personnel, and past performance records in awarding contracts to potential suppliers. Some of the barriers which need to be overcome in order to achieve VFM are weak governing bodies, politics, tradition, and lack of education and training programs.

**Integrity:**

Integrity is another important principle of government procurement. Purchasing professionals are held to higher standards of ethical conduct than people in other professions, yet some do not even know what is expected of them (Atkinson, 2003). If the workforce is not adequately educated in such matters, this may lead to serious Benchmarking in public procurement. Integrity is defined by Transparency International as 'behaviors and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions that create a barrier to corruption.' The principle of integrity applies to the procurement process and its participants. Integrity means that the procurement is carried out in compliance with the relevant laws and regulations. The best and most suitable technical expertise available is employed in a non-discriminatory manner. It means fair and open competition leads to a quality product at a fair price, which takes into account the legitimate aspirations and concerns of all the stakeholders

**Competition:**

Competitive tendering is the means by which most goods and services are procured. Before moving on it is perhaps best to understand how competition occurs in procurement? In this process there will be bids from major suppliers and a technical evaluation committee would be involved in the decision-making process while a tender board and technical evaluation committee would evaluate whether bids are in accordance with the technical requirements they have stipulated in the tender conditions. In this process competition occurs. The supplier's

credibility in carrying out previous contracts of this nature, the price and the most competitive bidder will be awarded the tender. The most important information source for suppliers is the tender advertisement and, for the contracting authorities, the bids submitted and provision of inaccurate data will result in misunderstandings and increased costs. The better the quality of information provided the less likely that it will result in an unsatisfactory purchase. *Erridge et al*, believe that competitive tendering would avoid accusations of favoritism and fraud and that the openness of the system would encourage more suppliers to participate and that increased competition would help reduce prices, improve quality and lead to greater competitiveness among suppliers. Procurement rules assist in the creation of competition markets and benchmarks and reform efforts in this area would improve quality and lead to greater competitiveness among suppliers.

**Transparency:**

The function of transparency is also important in procurement and it refers to openness. Transparency therefore is an essential aspect of ensuring accountability and minimizing corruption, and has gained prominence in Organizations for Economic Cooperation and Development (OECD) countries, and is particularly associated with the rise of the governance agenda as transparency is a core governance value.

Government procurement is one area where corruption is rampant in both developing and developed countries. The recipients of clandestine payments may not only be the officials who are responsible for decision making but also ministers and political parties. Transparency requires governments to adhere to higher standards of conduct by ensuring that conduct will be open to scrutiny. But the obligation to invite tenders, the transparency of the procedures used in awarding contracts and the right which the agreement would give to aggrieved suppliers to challenge the decisions would restrain both domestic and foreign suppliers from making under-the table payments and deter public officials and political parties from receiving such payments.

Transparency in government procurement will provide an assurance for both domestic and foreign investors that contracts will be awarded in a fair and equitable manner. In all markets, a

lack of transparency in the sense of absence of information on rules and practices could operate as a barrier to trade and may affect foreign suppliers more than local ones.

**Accountability:**

The concept of accountability does not only apply to the public sector. The Boards of private sector organizations are also accountable to their stakeholders. Public servants have to take the influence of politics into consideration in the implementation of their duties while the private sector gives more attention to the market mechanism. Accountability, an important principle of government procurement, comes into play at both the national and international levels. At the national level public sector managers have to deal with a more competitive environment than has been the common practice in the past. The public is also demanding greater accountability and better service. Therefore, managing the risks associated with the complex competitive environment give rise to accountability problems as the roles and responsibilities of the participants in the process are not clear.

**Chart: 3.1: Corruption Risks and Manifestations across the Procurement Cycle**

<p><b>Needs Assessment Phase/Demand Determination</b></p>	<ul style="list-style-type: none"> <li>➤ The investment or purchase is unnecessary. Demand is induced so that a particular company can make a deal but is of little or no value to the society.</li> <li>➤ The investment is economically unjustified or environmentally damaging.</li> <li>➤ Goods or services that are needed are overestimated to favor a particular provider.</li> <li>➤ Old political favors or kickbacks are paid by including in the budget a “tagged” contract (budget for a contract with a “certain”, pre arranged contractor).</li> <li>➤ Conflicts of interest (revolving doors) are left unmanaged and decision</li> </ul>
<p><b>Preparation Phase/ Process Design and bid Documents</b></p>	<ul style="list-style-type: none"> <li>➤ Bidding documents or terms of reference are designed to favor a particular provider so that in fact, competition is not possible (or restricted).</li> <li>➤ Goods or services needed are over- or underestimated to favor a particular bidder.</li> <li>➤ Unnecessary complexity of bidding documents or terms of reference is used to create confusion to hide corrupt behavior and make monitoring difficult.</li> </ul>

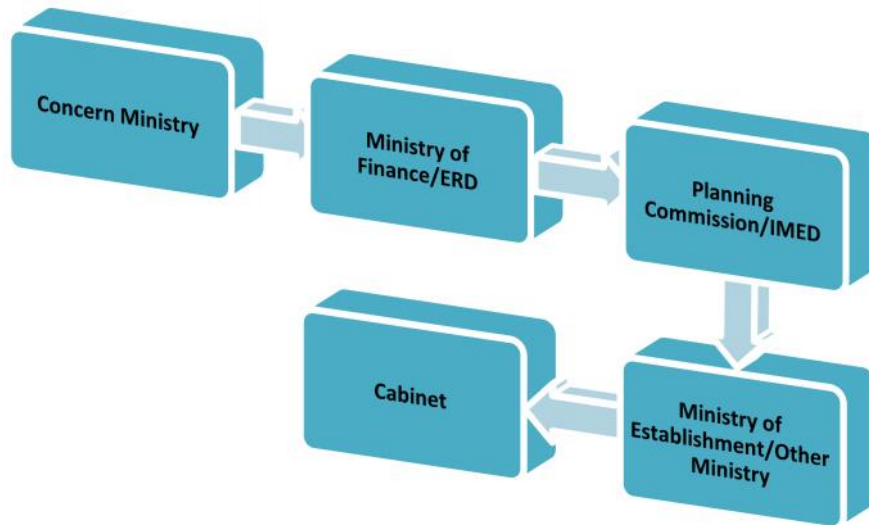
<b>Contractor Selection and Award Phase</b>	<ul style="list-style-type: none"> <li>➤ Decision makers are biased (bribes, kickbacks, or conflicts of interest are involved).</li> <li>➤ Selection criteria are subjective in ways that allow biases to play a role and remain unattended.</li> <li>➤ An advantage to a particular bidder is granted through the exchange of confidential information before bid submission or during the clarification period. Clarifications are not shared with all the bidders.</li> <li>➤ Confidentiality is abused and extended beyond legally protected information</li> </ul>
<b>Contract Implementation Phase</b>	<ul style="list-style-type: none"> <li>➤ Winning bidders/contractors compensate bribes and other extra payments with poor quality, defective or different specifications than those contracted. Faulty or sub-specification work execution, requiring early repairs or expensive correction.</li> <li>➤ Contract renegotiation or “change orders” introduce substantial changes to the contract, often in small increments that can be decided by site engineer.</li> <li>➤ Price increases during execution through “change orders” reflecting changes in specifications or cost increases, facilitated often by collusion between</li> </ul>
	<ul style="list-style-type: none"> <li>➤ False or inexistent claims are filed.</li> <li>➤ Contract supervisors or monitors are “bought” or are not independent and willing to justify false or inexistent claims.</li> <li>➤ Contract renegotiation is allowed or performed introducing substantial changes that render the bidding process useless.</li> </ul>
<b>Final Accounting &amp; Audit</b>	<ul style="list-style-type: none"> <li>➤ Accountants doing final accounts and Auditors are biased or “bought” and willing to support false certificates.</li> </ul>

**Source: Transparency International, 2006. Handbook: Curbing corruption in Public Procurement.**

**Ministries Responsible for Making Policies on Procurement:**

To formulate a procurement policy the consent of some concern ministries and divisions is mandatory. Without having consent of those ministries government cannot enact a policy. The following Ministries and Divisions are primarily associated with making policies in the procurement area:

**Figure: 3.2- Ministries Involved in Making Procurement Policy**



**Source: Self Compiled**

The Ministry of Finance and ERD assist in deciding on the fund-source. The association of the Ministry of Planning and different Ministries take place during the processes of the approval of the project embodying the procurement. Cabinet Division plays the main role in securing the approval of the Cabinet Committee on Purchase the highest body to grant purchase permission of services. Each of these Ministries makes their contribution at different stages of the process of procurement. The Ministry of the concerned agency first prepares the outline of a project and its associated procurement.

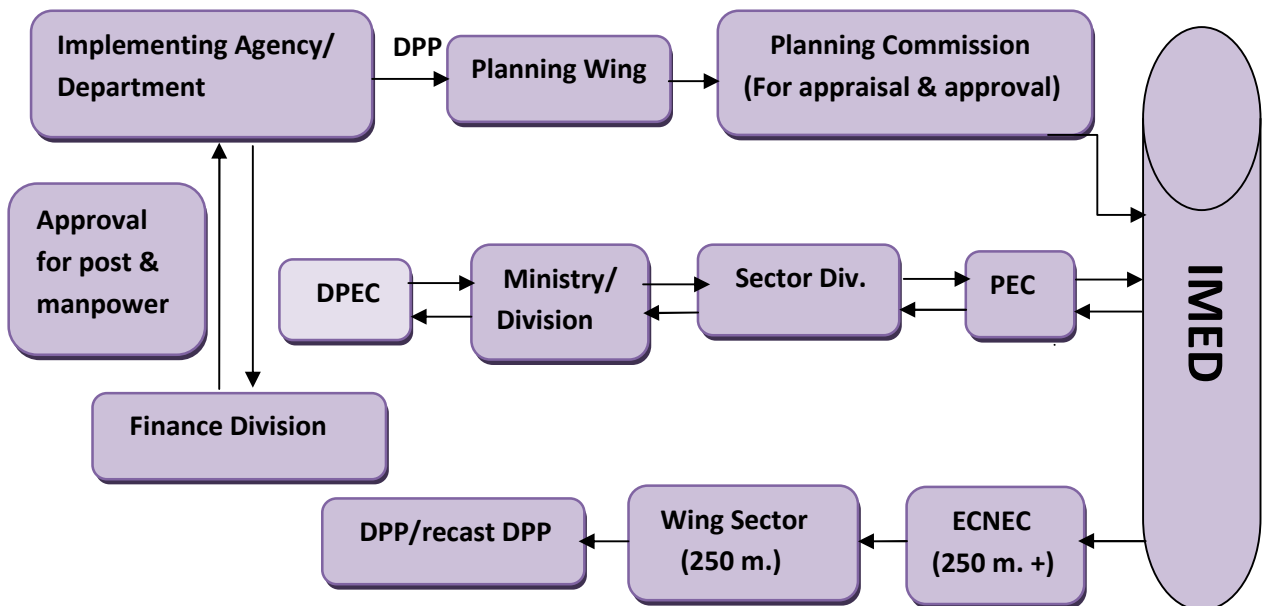
**Project Approval Process:**

The notification embodying the above cited procedure is placed at. It should be noted that Development Project Proposal (DPPs) have to prepare by the project implementation agencies for all investment projects. Conducts assessment of DPP and organize Departmental Project Evaluation Committee (DPEC) meeting with Secretary in the chair cleared by the Minister of Planning and get them cleared by the DPECs of the concerned ministry. Ministry/Division prepares DPEC meeting minutes and takes necessary follow-up actions and sends to Finance Division for approval of post & salary structure. Planning Commission will complete project appraisal process (may go for project site visit, if required). The project gets approval of the Planning Minister/Adviser/ Sate Minister for projects up to Tk. 250 Million on the basis of



Project Evaluation Committee’s recommendation. Send DPP/TPP to National Economic Council (NEC), Executive Committee on National Economic Council (ECNEC) & coordination cell for approval of project costing more than Tk.250 million. Finally the project gets Implementation Monitoring and Evaluation Division (IMED’s) appraisal and comment for justification of cost as per decision of Project Evaluation Committee (PEC). This long procedure of approval process is time consuming. If the concern ministry and actors brings in network governance it will not be possible to ensure transparency and accountability in process. The more regulation creates the more relaxation losing accountability like proverb ‘Penny wise pound foolish.’ The detail process is enclosed in (Annexure-V) including timeline. Alongside regulations, the prevention of corruption has always been one of the main constitutive elements in the legislative framework of public procurements in RHD. However, the legal framework itself is not able to repel corruption. Transparency and accountability, though, can reduce the misuse of procurement systems for criminal moneymaking and ensure proper utilization of public resource. The following figure shows the flow of process:

**Figure: 3.3- GOB Project Approval Process**



Source: Self Compiled

**Procurement in Roads and Highways Department:**

From the very beginning of human civilization roads and highways are prevailing in the world for trading and communication. We know very little about the Roads and Highways of ancient civilization. We know roads had been created from the very early age and procurement also conducted earlier as stated in the literature. The ancient emperor had own department to maintain roads to create smooth transportation. It was created from the business link. For example, Wari-Bateshwar of Bangladesh was the first urban centre in the region that had trade relation with many other cities by river port facilities and over land connectivity through ancient Silk-Route. The area had oceanic business links with Southeast Asia & land connections with the Roman Empire. The another oldest and longest major roads is Grand Trunk (GT) road was built by Mauryan Empire and later renovated and expanded by Sher Shah Suri during the 16<sup>th</sup> century. The road is considerably upgraded in British period between 1833 and 1860. During Pakistan period it was called Construction & Building (C&B). In 1962 C&B split into two individual department one is Public Works Department (PWD) another is Roads and Highways Department (RHD). The journey of Roads and Highways Department had been started from 1962 in Bangladesh. Now RHD is under Ministry of Road Transport & Bridges of People's Republic of Bangladesh. Now the total road network is 21,302.08 kilometers connecting the whole Bangladesh. Proper Maintenance and management of these assets is a fundamental requirement which is vital to the national economy. RHD receives a healthy allocation from the government's development budget. To operate and maintain this large infrastructure RHD spent its whole budget through procurement. From the very beginning RHD tried to follow the Public Procurement Rules that prevailing in country relatively less transparency and accountability. Ensuring transparency and accountability in public procurement practices is the main concern for RHD which can help to ensure effective public governance.

**Dhaka-Mymensingh Four Lane Highway Project:**

Mymensingh is one of the oldest 16 districts of Bangladesh. Geographically and economically it is important to communicate with the capital city. The history of Dhaka-Mymensingh road is not new. It was created in 1765 by British after setting East India Company in Sub continent. This road was neglected for many years and became almost detached from capital city for the sake

of poor condition of roads and traffic congestion. The people had been suffering for many years to transport their produced goods to capital and to communicate with Dhaka city. The two hour's journey sometimes made six to eight hours only for traffic congestion. After massive media reporting and peoples' suffering the Government initiated to expand and renovate this road into Dhaka-Mymensingh Four Lane Project<sup>7</sup> under a development budget funded by Government of People's Republic of Bangladesh. The infrastructure project began in July 2011 under the supervision of the RHD with acquisition of 8.66 hectares of land. Dhaka-Mymensingh Highway has five bridges, one flyover (Maowna), one railway overpass (Salna), four foot-over bridges, 155 box-culverts and 3425-meter concrete pavement. Due to fourth times extension of the project completion period, the cost has to be re-estimated too. Finally, the cost is estimated at 18151.2 million taka. The project works comprises of four packages. Construction of the first package is 12.25km from Joydebpur intersection-Rajendrapur intersection while the second package is 17.6km road from Rajendrapur intersection to Nayanpur.

Due to failure of contract Bangladesh Army's Organization of Special Works of Engineering Construction Battalion-17 has implemented two packages. Though the projects began in July 2011, the army was entrusted with the duty in 2012. Transparency and accountability practices of public procurement of two implementing agency as stated earlier is the main focus of this study.

#### **Impact of Public Procurement on Economic well being:**

However, the main adverse impact of the public procurement on the country and the people occurs through late implementation of the development projects and consequential delayed generation of benefits from a project. It also makes benefit derived from those projects less cost effective. The procurement activities (specially in the cases of goods & civil works by agencies in the districts through government's own resources) on many occasions also create law and order problem as can be gauged from the good number of news items appearing quite often in the news papers telling us of either blocking the sale of tender documents or their

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<sup>7</sup> Dhaka-Mymensingh Four Lane Highway Project is the local name covered by the electronic and print media. It is also familiar to the people by this name but official name is Joydebpur-Mymensingh Road Improvement Project (JMRIP).

dropping at the box at the appointed time. In some cases even hijacking of the Tender Box takes place. The prevailing unhealthy environment as well as procedure induced hurdles and hassles cause the unscrupulous businessmen to flourish while the good and honest businessmen shy away from participating in procurement related businesses. After all, public procurement is mainly serviced by the private sector traders, suppliers, and industrialists. Absence of a large pool of law abiding and competent contractors retards the development of a vibrant economy in the country. So the efficient operation of the public procurement is a legitimate concern of RHD and its representative bodies as well as general public.

**Epilogue:**

Public procurement is a powerful driver of development. In addition to providing goods and services a country needs, the act of procurement itself can strengthen local economies, support marginalized groups and boost local capacity for commerce. Ensuring transparency and accountability in Public Procurement of RHD can play a significant role in economic growth in Bangladesh. Rapid improvement of RHD's procurement indicates the development of Bangladesh. Unpleasant picture in procurement sector in RHD hampers the speed of economic growth. The present study is an endeavor to measure the level of transparency and accountability practices in public procurement of RHD. This is dealt in the next two chapters.

## **Chapter - Four**

### **Transparency in RHD's Public Procurement**

#### **Prologue:**

Transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector. Transparency assists in ensuring that any deviations from fair and equal treatment are detected very early, and makes such deviations less likely to occur.<sup>8</sup> Transparency in public procurement is critical. The manner in which government conducts itself in its business transactions immediately affects public opinion and the public's trust in effective government. In addition to encouraging the public's good will and strengthened trust, the more practical business benefits of transparency are increased competition and better value for goods, services, and construction. Standardization of processes, simplified access to information that is easy to understand, and availability of information, all make doing business with government much more appealing to the supplier community and strengthen the public's trust. With the size and scope of government spending activity it is critical that all stakeholders have confidence in the public procurement process. Transparency is considered as one of the most effective deterrents to corruption and a precondition for ensuring public officials' accountability (OECD, 2007). A transparent and informative public procurement process encourages this confidence through the free and open exchange of information, enhanced knowledge, improved efficiency, and reduction of the potential for corruption and waste. Transparency is a core principle of high-quality public procurement. An open and transparent procurement process improves competition, increases efficiency and reduces the threat of unfairness or corruption. A robust transparency regime enables people to hold public bodies and politicians to account, thereby instilling trust in a nation's institutions like RHD.

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<sup>8</sup> Adapted from UNOPS, (2006). UN Procurement practitioner's handbook. UNOPS: IAPWG

**Transparency in Public Procurement:**

As public procurement accounts for more than one third of all of a government's outlays the concept of transparency is nowhere more significant in public administration than in public procurement. *Neuman (2002)* stated that 'since corruption thrives under darkness, transparency is the remedy to the darkness'. Thus, a transparent procurement process is key tool for ensuring good economic governance in the country.

Serious weaknesses have persisted in the area of public procurement in Roads and Highways Department of Bangladesh. These, as the World Bank (2002) identified, include inadequate public advertisement of an intended purchase for potential bidders, a short bidding period, poor specifications, nondisclosure of selection criteria, award of contract by lottery, one-sided contract documents, negotiation with all bidders, rebidding without adequate grounds, other miscellaneous irregularities, and corruption and outside influence. When political representation is allowed in procurement processing by the regulatory framework it puts public procurement at more vulnerable position to become politicized. For these reasons public procurement is vulnerable state in RHD.

**Existing policy of Transparency in Public Procurement:**

Public procurement entails a sequence of procedural steps that offers opportunities for ensuring transparency. These procedural steps include the initial publication of a tender; the definition and pronouncement of qualification of prospective bidders and evaluation criteria to be used; the declaration of timeliness and guidelines for bid preparation and submission; and the opportunities for challenging the selection of award. Transparency is needed throughout the entire procurement process to show that the government is spending taxpayer monies responsibly. *Wittig (2005)* referred transparency in the context of public procurement as follows:

The ability of all interested participants to know and understand the actual means and processes by which contract is awarded and managed. This requires the release, at a minimum, of information sufficient to allow the average participant to know how the system is intended to work, as well as how it is actually functioning.

*Schapper et al (2006)* have argued that transparency in procurements of high value can be strengthened through direct public disclosure of all stages of each procurement exercise and

for low value procurement transparency is improved mainly through improved audit capabilities.

**Disclosure in Relation to Submissions:**

Lennerfors (2007) stated that the tender invitation is the document which is the basis for drawing the attention of bidders towards potential and existing aberrations e.g. lack of transparency. Provision of all necessary information to all prospective bidders for the preparation of tender and allowing at least the minimum time to respond in proper competition in procurement (PPA-2006, Section 13). Wide publication of all intended procurements is a pre- condition for ensuring transparency. Any publication notice must include the procedures to be followed in submitting a bid, the schedule for submission, the specification requirements of the procurement, the information that must be supplied in submitting a bid, and the type of procurement to be undertaken (open, open with pre-tender qualification, selective or limited), and evaluation criteria. In addition to disclosure of information on active tenders, some institutions disclose their annual acquisition plan in order to aware the potential bidders of upcoming tenders. Public Procurement Act, 2006 that promotes disclosure of information relating to submissions. PPR-2008, (Section-32) indicated that use of open competitive bidding as the preferred method of procurement. Preparation of advertisements for prequalification, tenders and requests for expressions of interest in the standard prescribed format and publication of those advertisements.

**Disclosure in Relation to Tender Processing and its Outcome:**

Tender submission is followed by the holding of a tender opening meeting. In this stage, the names of tenderers and the prices offered should be made public. An evaluation committee evaluates the tenders submitted and selects the lowest bidder for the contract. Once a bidding firm is selected, its name, the price it offered and details of the contract should be disclosed. All other unsuccessful bidders, as the PPR stipulates, should be personally informed in writing of the reasons for the rejection of their bids. This can help bidders prepare better bids in the future. Moreover, it establishes confidence that the criteria have been applied as described. The PPR-2008 stipulates the following provisions permission to attend the pre-tendering meeting to all tenderers and provision of the proceedings of the meeting to tenderers only who

have purchased the tender document [PPR-2008, Section 44(5)] to improve transparency in tender processing and its outcome. Publication of award notification on the procuring entity's notice board and its own website, if any, and for contracts above a prescribed price limit on the website of the Central Procurement Technical Unit [PPA-2006, Section 21 (1)]

### **Right to Appeal:**

It means to grant the unsuccessful bidders the chance to make a plea for fair treatment and against arbitrary discretionary power of the public officials of procurement. However, too many appeals may lead to delays and costs. But on the other hand, the more transparent the procurement process, the less the number of appeals. Maximum deadlines should be announced for appeals. Existence of predictable review procedures is paramount for ensuring transparency through right to appeal. Also the announcement of acceptance to review a complaint publicly is critical to facilitate attendance of people interested in the procurement subject to the complaint. The PPR- 2008 allows any losing tender to know the grounds for non-acceptance of its tender from the procuring entity following the signing of a contract with the successful bidder [Section 21 (2)]. Any aggrieved person deserves the right to complain against the procuring entity to the specified authority such as the administrative authority of the relevant procuring entity or the review panel constituted by the Government [PPR-2008, Section 29 & 30]. The review mechanism increases the transparency of the procurement process.

As an implementation strategy, it is important to ensure the maximum publicity of these disclosures. An official channel such as a procurement bulletin, government gazette, and the newspapers and trade press or combination of two or more can be created for this purpose. For instance, Vietnam publishes daily an e-bulletin called *Vietnam Tenders*. It is the single source of all tenders on offer by governmental agencies, commercial organizations, and aid agencies (Jones, 2007). This should be a separate issue of the official gazette as in South Korea and



Mexico. In Bangladesh all entities are obliged to publish their tenders exceeding specified threshold values in the CPTU's website<sup>9</sup>.

In addition, the PPR-2008 has provided processing of public tenders through e- procurement (e-GP). In line with this, the Government has included a component in the Second Public Procurement Reforms Project (PPRP-II) to introduce e-GP. Mahmood (2010) stated that e-GP has been proved as an effective tool in eliminating corruption, promoting integration and stimulating greater productivity in around 50 countries. South Korea has implemented e-GP very successfully. Based on the premise that transparency is a fundamental remedy against corruption Seoul's city administration introduced its "Online Procedures Enhancement for Civil Applications" system in April 1999. This system makes public procedures for applications on the internet and allows all citizens free access to this information. Public officials responsible for issuing permits and granting approvals produce and update online reports on each application filed.

### **Third Party Monitoring of Public Procurement:**

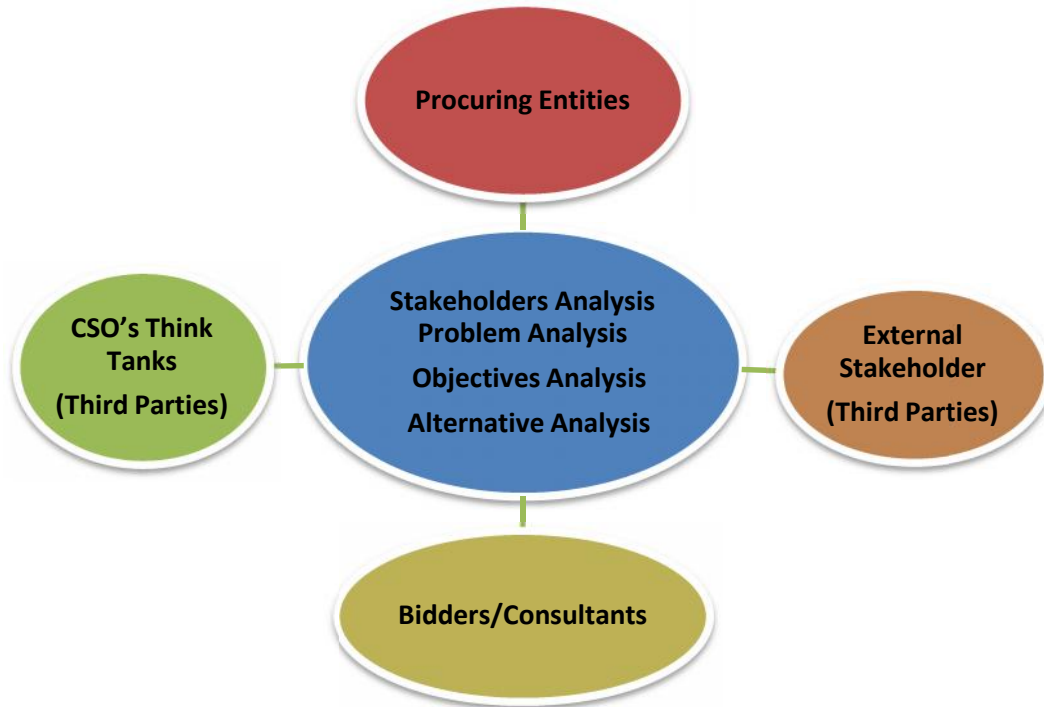
Any procurement process can fail to produce the desired social outcome because the design of the good or service to be acquired was flawed from the beginning, i.e. at the decision to procure stage, or the delivery ends up being below published specifications. It is possible to identify how a procurement process can result in a final delivery of a good or service that deviates from its original intention. Citizens or civil society organizations can participate in the process, for example by oversight of the bidding process. There are ample evidences now available on how opening up spaces for citizens to get engaged at the various stages of the procurement process. The popular tools of citizen engagement are Participatory Expenditure Tracking Studies (PETS), Social Audits, Citizen Report Cards, Community Score Cards, etc. Based on the findings, citizens raise their voice and demand good governance from the public authority. Third parties can help to ensure transparency and accountability with the adoption of quality management and integrity norms, codes of conduct or the certification and audit by a

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<sup>9</sup> Publication of award notification on the procuring entity's notice board and its own website, if any, and for contracts above a prescribed price limit on the website of the Central Procurement Technical Unit in Bangladesh. [www.cptu.gov.bd](http://www.cptu.gov.bd)

third party of their integrity systems. The following figure demonstrated the relationship of third parties in the field of procurement.

**Figure: 4.1: Third Party Monitoring of Procurement**



**Source: Seoul Metropolitan Government, 2000.**

**Manipulation in Tendering Procedures:**

Empirical outcomes from the survey and in-depth interview of selected respondents are presented below: Bidding for a government contract in Roads and Highways Department in Bangladesh can be a matter of life or death, literally. Tendering process is influenced by coercive/ collusive /fraudulent practices. Pitched battles frequently erupt between rival contractors, who are backed by political parties and their thugs. Newspaper's reports are filled with stories of gun fights, tender boxes seized by gangs and government offices torched on the day bids are submitted for contracts.

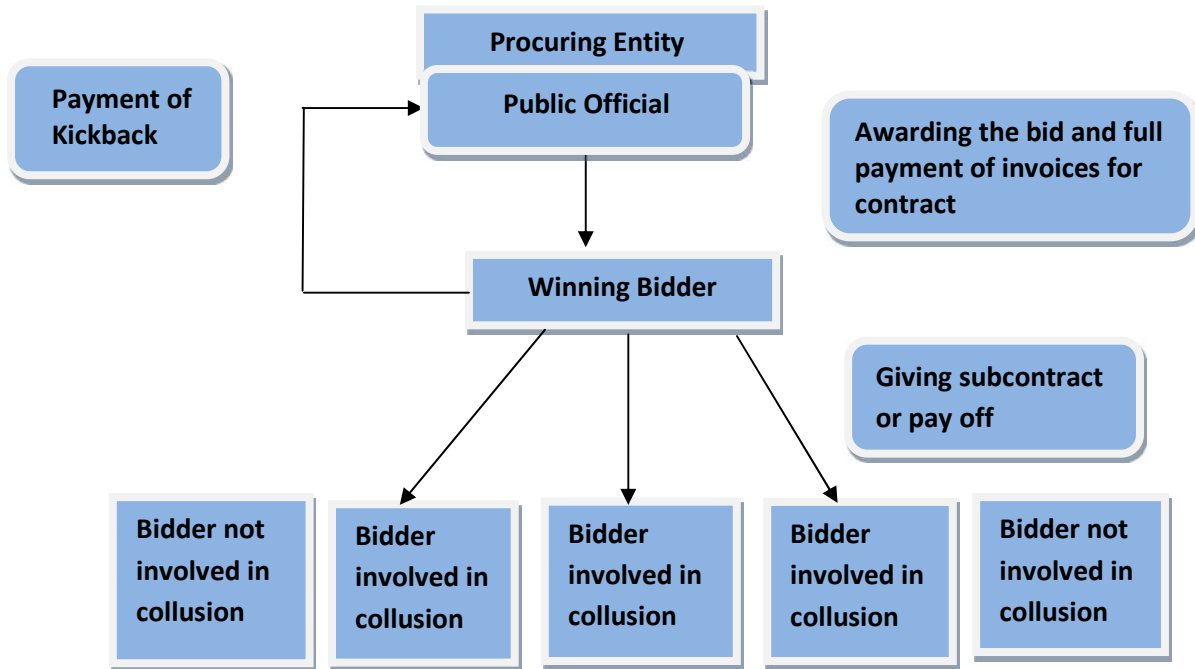
The procurement Act and Rules apply to any purchase of goods, works or services using public funds by any government, semi-government or any statutory body in the whole of Bangladesh

[Section 3(1) (2) of the PPR-2008]. Thus, the regulatory regime is uniform to the procurement at national level. Media very often report poor compliance and mismanagement in Roads and Highways Department's Public Procurement Practices. Tendering procedure is reported to be the most common corrupt procurement scheme in RHD. Public officials get engaged in this sort of manipulation by determining the technical specifications or the qualification requirements in such a way so that only the preselected bidder meets all the requirements or by giving inside information to the favored awardees to enable them to enter as the lowest-priced bidder.<sup>10</sup> In the bid rigging scheme, bidders negotiate informally (locally called *niko*, dialect used by the contractors during bidding) among themselves and reach an agreement in favor of a particular bidder who gives a subcontract or a payoff to the other bidders (see Figure: 4.3). A contractor told the author in an interview that most of the bids are divided among the contractors through negotiation with/or without involvement of procuring officials. In complementary bidding token bids that deliberately fail to meet all of the requirements of the tender are submitted in order to allow a favored bidder to win. In rotation bidding it is agreed that only one contractor submits a bid for a current contract, followed by another contractor in the collusion ring for the next contract. Bidders also take prearrangement to divide up all the contracts. Government after government has used political patronage to award everything from jobs to lucrative public works contracts in transportation, utilities, earth works to government supplies.

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<sup>10</sup> As explained by a Superintendent Engineer of RHD. He opined that if the procurement process can be made transparent scope for such collusion will reduce by at least 50%.

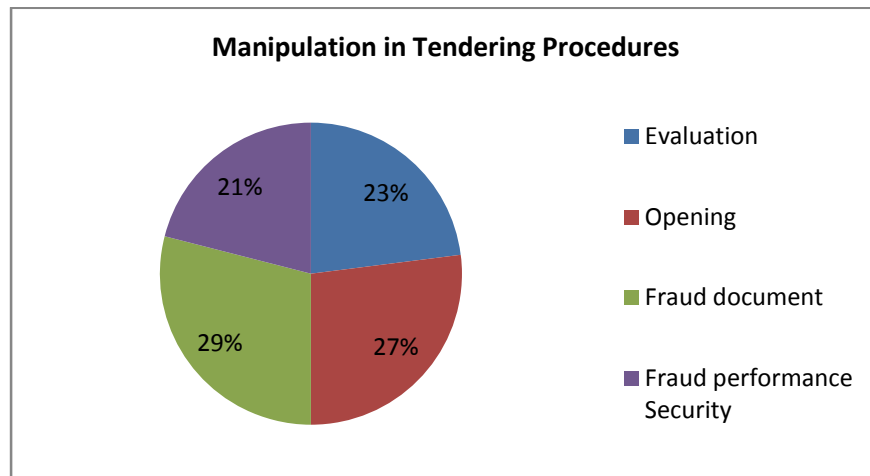
Figure: 4.2: Common Kickback Scheme of Procurement



Source: Ware et al, 2007

It is the manipulation of a competitive public tender in favor of a pre-selected bidder with or without the participation of the public officials responsible for conducting the tender. The major manipulation of tender evaluation and opening is conducting tender arose with the involvement of RHD officials and contractors. Submission of fraud document is very widespread in tendering process. One of the Project Directors of Dhaka-Mymensingh Four Lane Project stated that one of the major reasons behind termination of first two packages is fraud document of contractors. Fraud performance security is another feature of corruption in procurement practices. In Bangladesh it is very easy to collect performance security from financial institutions. Contractors and suppliers easily take this chance to submit fraud performance security managing the bank officials by providing a handsome amount of money. It is frequently found in the findings of the procurement practices of Roads and Highways Department. A big amount of public resources has been lost in Dhaka-Mymensingh Four Lane Project for the sake of fraud performance security. The following figure shows the percentage of manipulation in different stages of procurement practices.

**Figure: 4.3: Manipulation of Tendering Procedures**



**Source: Self Compiled**

Studied found that manipulation occurs in evaluation and manipulation performed jointly by the participation of public officials and contractors/suppliers of this department. Fraud document and performance security is submitted by the tender awardees by direct consent of the executing agency. According to the provision of PPR-2008 (Rule-27) a performance security shall be furnished by the successful tenderer in the amount specified in the Tender Data Sheet (TDS) following the threshold specified for this purpose. In the course of finding it is, however, found that the procuring entity did not forfeit the performance security even in the event of failure of the tenderer to perform the job.

Public Procurement Rule-2008 (section-90) stated that the procuring entity must advertise all Invitations for Prequalification, Invitation for Enlistment, Invitation for Tender and Request for Expression of Interest in at least one Bangla language national newspaper and one English language national paper, both having a wide circulation within Bangladesh. The rule has also provision for advertisement in the CPTU's web site for high value procurement. Study reveals that relating to advertisement reveals that many procuring entities advertise in newspapers which do not have a wide circulation or they do not publish in CPTU's website. Some entities make advertisement in local newspapers when requirement is that the advertisement should be made in the national newspapers. Three package's notification of award in Dhaka-Mymensingh Four Lane Project implementation had not been published in notice board and

also in CPTU's website. There is a provision in PPR-2008; publication of award notification on the procuring entity's notice board and its own website, if any, and for contracts above a prescribed price limit on the website of the Central Procurement Technical Unit (CPTU) [Section 21 (1)]

#### **Stakeholder's Perception about Procurement:**

Studies revealed that most of the stakeholders of the Dhaka-Mymensingh are unaware about the transparency and accountability practices of Public Procurement. For the sake of corruption and traditional practices PPR has been most vulnerable in implementation. There are some stakeholders who are public representative but have no knowledge about public procurement where this rule has been enacted ten years ago. Although they are public representative but they have no role in implementation of PPR. There are some literate people who only know the name of PPR but they don't know the functions of PPA-2006 and PPR-2008 and how the PPR plays significant role in driving economic growth and implementing the Dhaka-Mymensingh Four Lane Project. Stakeholders of the field area know the functions of PPR who are directly involved with the procurement process. In the whole project implementation process the procurement area is the most vulnerable rather than all activities. Study also reveals that the people are satisfied with the arm forces performance and quality of works but they are not aware of practices transparency and accountability in public procurement. Financial aspects are always out of the concern of the stakeholders.

#### **Assessing Transparency in Public Procurement:**

The mean values of the indicators provide an overall picture of practicing transparency in this project. Complete and timely information is one of the most important indicators of transparency to all qualified suppliers is most vulnerable for political malpractices. Most of the cases favored bidders are treated as successful for political consideration in RHD. Open and frequent communication is maintained by the procuring entities with supplier and contractors with a nexus. Existing rules are sufficient for ensuring transparency but it is not maintained in implementation. Assessing the indicators of transparency is not properly maintained by the

executing agency and contractors in procurement practices. The following chart shows the mean value of different indicators revealed by the respondents of this study.

**Chart: 4.1- Level of Transparency**

<b>Indicators of Transparency as Revealed by the Respondents</b>	<b>Mean</b>
Laws and regulations concerning procurements are easily accessible to the public.	2.85
All written records of procurement including minutes of proceeding of all meetings are made available to the general public.	2.10
Summaries of information about public procurement are usually published.	2.19
Bid/procurement opportunities are adequately publicized.	3.15
Annual procurement plan is published on the website of the CPTU.	2.02
Standard Bidding Documents are used for all types of procurement.	2.96
Public do have access to information regarding the practices of procurement.	2.71
Clear and Comprehensive bidding documents are published in standard form and made available to the public.	2.77
All successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written notification.	3.23
Notices concerning the award of procurement contracts are usually published by the organization.	2.71
All advertised bidding was opened in front of the public.	3.65
Qualification requirements for bidders are fair and appropriate.	3.25
Electronic Procurement (e-GP) has already been practiced.	1.19
A complete and adequate record of procurement activities are kept by the organization.	2.37

**Source: Self Compiled from Survey Data**

The above table indicates summary measures for the responses obtained on the perceived and practical level of transparency in public procurement of RHD. Respondents were asked to consider 14 indicators regarding transparency in public procurement and to indicate their degree of agreement with each variable. From the table, it was found that respondents were most likely to disagree with almost all the statements. The mean of means of scores computed for all items was found 2.5 on the 5-point scale. On average, respondents were in agreement that transparency in public procurement in RHD is not satisfactory. Respondents were very much in disagreement with the statements that electronic procurement (E-procurement) has

already been practiced, and that electronic records of the bidding process at each stage are disseminated to all interested parties. This is followed closely by the statements that annual procurement plan is published on the website of the CPTU; and that all written records of procurement including minutes of proceeding of all meetings are made available to the general public. However, on the average respondents were slightly agree with the statements that all advertised biddings were opened in front of the public; and that qualification requirements for bidders were fair and appropriate.

#### **Transparency in Selection of Local Contractors:**

Local contractors are usually selected through secret negotiation, although records would show that a competitive bidding system, as required by government rules, was followed. Prior to the submission of bids, an implicit understanding between the RHD officials and the contractor syndicate on the allocation of contracts occurred. Competitors do not object to such an arrangement, and wait obediently for their turn in some other contract.

External experts are rarely used for determining the volume of material and labor input, or for preparing the design specifications. As a result, the quantity of work budgeted for is usually much higher than actual requirements. Besides, few projects can be completed within the stipulated period for want of adequate resources. For such delays, contractors are compensated by increasing rates and in other forms providing additional benefits. Dhaka-Mymensingh Four Lane Highway Project is also vulnerable by extending period of project completion costing a big amount of public resources.

#### **Transparency in Consulting Activities:**

For development projects, the method of selection of consultants and international contractors is guided by the terms of the loan / grant agreement and the guidelines of the respective partner. Even so, RHD officials enjoy considerable discretion in determining the ranking criteria for contractors involved in the pre-qualification. Advance information is passed to select international firms or individuals through their local agents with a view to favoring them in the final selection. In some cases the bid documents are manipulated to favor a particular firm.



Although the donor agency usually approves shortlist of consultants, the final selection lies with the RHD, based on weights assigned to the various selection criteria. There is scope for considerable discretion here, mainly at the higher levels of officials. The bid evaluation report and the recommendations of the evaluation committee are not made public before the final selection.

Cases have also been reported where RHD officials had to make decisions in selecting consultants and contractors respecting the wishes of the administrative and political authorities and the ministry. As a result, there have been cases where the selection changed when the "authority" changed. This process may lead to selection of consultants who are not technically the best, but are found "acceptable" on other considerations, at times with disastrous consequences. Consultants pay, on average, 12 to 15% of their fee as bribe at the time of commission of the contract. The money is divided between ministry officials, and the members of RHD's Technical Evaluation Committee. Interestingly, the corruption level in the RHD is judged to be moderate compared to other government departments. The RHD rate is usually between 2 and 6% of the consultant's fees, whereas in other departments, the rate is not only higher (up to 15%) but is applied to the sum of consultant fees plus out-of-pocket expenses. RHD is by far the largest user of consultants and the recipients of bribes apparently abide by the dictum of not killing the goose that lays the golden egg.

RHD officials were very unhappy with the foreign consultant's note, complaining of unnecessarily high standards, and put all kinds of pressure on the consultant to withdraw the note. RHD even put pressure on the local consultant, giving veiled threats of black-listing them in future if they failed to convince their foreign counterpart to withdraw the objection. It was only when the foreign consultant took a hard stance and threatened to bring the issue to the notice of their embassy officials and even the Minister for Communication, that RHD grudgingly accepted the disqualification. But this was not the end of the story. RHD blacklisted the company which was to supply the requisite quality of steel. This company then paid RHD to get the blacklisting removed. So RHD found an ingenious way to collect the bribe in the end.

### **Conventional Procurement Practices in RHD:**

Study reveals that procurement processes are also vulnerable to collusion that is secret agreements between parties, in the public to conspire to commit actions aimed to deceive or commit fraud with the objective of illicit financial gain. Collusion between public officials and bidders can result in arrangements to inhibit competition by deceiving or depriving others of their rights in order to secure an unfair advantage. Collusion among bidders can rig the bid to manipulate the award decision and can be a particular problem in smaller markets where there are fewer competitors.

Public procurement can also suffer from coercion and extortion, which are other damaging forms of corruption. Extortion is the act of utilizing, either directly or indirectly, one's access to a position of power or knowledge to demand unmerited cooperation or compensation as a result of coercive threats. Extortion occurs when a government official demands something of value in return for assisting a company to win a bid or for taking a required action, such as making a valid contract payment. Coercion can occur when one bidder threatens another to keep them from bidding. Fraudulent practices would also count as corruption, for example when a government official or a bidder deliberately misleads or misrepresents the facts by submitting false invoices or statements of prior work experience, or fails to share key bidding information with all bidders.

Public procurement procedures are often complex and the transparency of the process is extremely limited. The manipulation occurred in the area of transparency practices of public procurement in Roads and Highways Department in Bangladesh is hard to detect. In addition, few people who become aware of transparency and corrupt practices activity reducing the cost of public resources of developing country like Bangladesh report it. Only a few reports publish in newspapers regarding the transparency practices of public procurement. This could be for a range of reasons: perhaps the money wasted is seen as merely the government's money rather than their own, there may be no easy way to report what they know, or a feeling that complaining is futile or could result in retaliation.

**Epilogue:**

The pragmatic outcomes of this study furnish some significant findings. The level of transparency of Roads and Highways Department is not satisfactory. The study reveals that the social and economic costs of corruption in public procurement are very high in RHD. Most of the procurement procedures are conducted through the secret negotiation between public officials and contractors/suppliers. They made a transparent unholy nexus to avoid the indicators of transparency which are supposed to be maintained in procurement. Transparency is maneuvered to achieve personal goals and objectives of suppliers, contractors and procurement entity. It is difficult to determine the transparent system in the whole procurement procedures. Most of the bidding is greatly manipulated in the different stages of procurement. Flexibility and transparency may be contestant requirements leaving serious loopholes in tendering practices. Experience shows that permissive regulations give way to corrupt techniques: accelerated procedures without proper justification, manipulation with the thresholds and negligent use of notifications are just a few examples. However, the general condition does not provide a transparent picture.

## Chapter - Five

### Accountability in RHD's Public Procurement

#### Prologue:

Accountability constitutes a central pillar of public procurement system. Without accountable systems enabling governments and citizens to engage in a mutually responsive way, the vast resources channeled through public procurement systems run the danger of increased corruption and misuse of funds. Even in a system with low levels of corruption, public and civic oversight can help identify inefficiencies, thereby increasing procurement efficiency and effectiveness for the benefit of improved service delivery and ultimately citizens. In UNDP's Capacity Development framework, accountability is one of four core issues most often encountered in the work to strengthen capacities with national and local governments. Accountability 'exists when rights holders and duty bearers both deliver on their obligations' (UNDP 2008). This conceptually links accountability to a rights-based understanding of development following three principles: *inclusive rights* for all people, the right to *participation*, and the 'obligations to protect and promote the realization' of rights by states and other duty bearers' (Gaventa 2002). As such, the active engagement of a government on one side and Roads and Highways Department on the other is necessary to achieve any measure of accountability. A key component of Klitgaard's equation ( $C=M+D-A$ )<sup>11</sup> is accountability and as well as the one of the basic principles of public procurement and effective public governance.

#### Accountability in Public Procurement:

Armstrong (2005) stated that accountability is a standard of public life, where holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their offices. Fighting corruption is not only an end in itself. It is of fundamental value in all government reform, which may require changes to legal and policy frameworks for the control and expenditure of public monies and improved

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<sup>11</sup> Corruption = Monopoly + Discretion - Accountability

procurement practices. A central theme of any procurement is the commitment to high standards for professional conduct of the public officers involved in procurement. The bid challenge system is one way to assure fairness to contractors and suppliers in the procurement process. Competition can also be promoted in many ways. From international best practices, we can identify the following important factors for measuring the level of accountability. Clear chain of responsibility together with effective control mechanisms; handling complaints from suppliers: public review and scrutiny of procurement actions; commitments of public officers to high standards for professional conducts and principles; good conducts of suppliers and contractors; fairness and competition. (OECD, 2009)

#### **Level of Accountability in RHD's Procurement:**

Under the Public Procurement Rule-2008 (rule-16) preparation of procurement plan is mandatory for all Procuring entities. But it is found that the procuring entities of project office do not prepare annual procurement plan and they procure goods and services required basis. This results in slow implementation of Annual Development Plan (ADP) as well as imbalanced expenditure of public funds. As per Rule 8 of PPR-2008, for certain high value procurement the Tender Evaluation Committee (TEC) shall have representation from external bodies. But findings demonstrate that in many cases the Tender Evaluation Committees have been formed without external members, creating scope for manipulation.

The following table indicates summary measures for the responses obtained on the perceived and practical level of accountability in public procurement in Dhaka-Mymensingh Four Lane Project. Respondents to the research were asked to consider 13 indicators regarding accountability in public procurement of Roads and Highways Department of Bangladesh and to indicate the extent to which they agreed or disagreed with each. It is clear from the table that respondents were most likely to disagree with almost all the statements. Overall, the mean of means is computed as 2.5 indicating low assessment on the level of accountability prevailing in the public procurement practices in Dhaka-Mymensingh Four Lane Highway Project. It does not provide any soothing picture in the level of accountability.

**Chart: 5.1- Level of Accountability**

<b>Indicators of Accountability as Revealed by the Respondents</b>	<b>Mean</b>
Appropriate separation of functions and responsibilities.	2.71
Timely response to a legitimate request for information.	2.75
Compliance with relevant financial and other delegations.	2.95
Appropriate management reporting and evaluation processes.	2.35
Accurate record keeping throughout the procurement process.	2.57
Provide sufficient information to enable internal/external audit.	2.45
Officers involved in procurement are committed to high standards for professional conduct or ethical principles.	2.32
There is an adequate review of the conducts of procurement officers by the management of the organization.	2.37
There is an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors.	2.44
The bid challenge system is usually to assure fairness to suppliers and contractors in the procurement process.	2.83
There is an accessible and secure process for bidders to report bribes by others.	2.29
The procurement decision making process is independent and based on transparent criteria.	2.71
Bidders have an adequate access to administrative review.	2.65

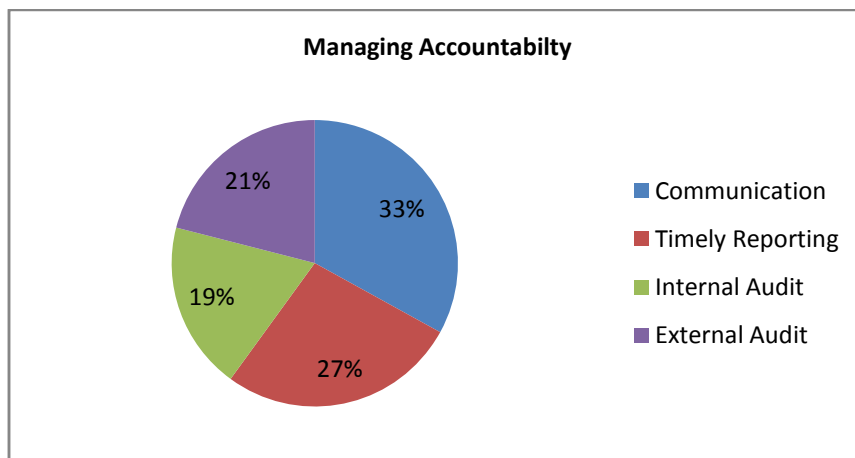
**Source: Self Compiled from Survey Data**

**Assessing Accountability in Dhaka-Mymensingh Four Lane Project:**

33% respondents think that interdepartmental communication has been maintained in implementation period of the project but to some extent lack of communication is visible. 27 % respondents showed their views regarding reporting mechanism of procurement practices where findings said that time management is one of the most vulnerable areas in project implementation. 19 % respondents think that internal audit has been conducted with the secret negotiation among the interdepartmental officials. There is no punishment against the serious offense even managed by their mechanism. 21% respondents are agree with the role of external auditing to ensure accountability but external auditors are biased for getting money

from RHD officials. Assessing the indicators of accountability is not properly maintained by the executing agency and contractors in procurement practices. 60% respondents are more or less unhappy with the management of accountability mechanism of RHD. The contractors are frequently complaining against the RHD officials for managing accountability mechanism. Financial transaction between RHD and contractors/suppliers are always complicate. Contractors always complain against their delay payment. One of the executive engineers told in interview that the contractors are demanding their payment without completing their works.

**Figure: 5.1: Managing Accountability**



**Source: Self Compiled**

The above graphical presentation explores that the whole project management maintains effective communication as per the project DPP. The outcomes show that timely reporting and monitoring is not strong. External audit or Government audit does not play significant role as the two packages are implemented by the Army. They did not provide sufficient papers to external auditors although they are mandated by the constitution.

**Table: 5.1: Correlation of selected variables**

The level of transparency in public procurement	.669**	1	.512**	.470**
The level of accountability in public procurement	.441**	.512**	1	.207

\*\* Correlation is significant at the 0.01 level. (Sig 2-tailed) N=60

The findings of the study suggested that the level of transparency and accountability observed in public procurement of RHD is low. Although the legal and institutional frameworks including detailed procedures of public procurements are more or less laid down, this is an important indication for RHD to ensure the actual practices against the available international best practices. If public procurement is to play a role of economic development and utilization of public resources, is a decisive requirement. Insofar as public procurement has important economic and political implications, ensuring that the process is economical and efficient is crucial.

This is not enough. Above all, lack of transparency and accountability in public procurement negatively affects the whole process and systems, and leads to mismanagement of public resources and corruption. However, as one important pillar of public procurement system, complete rules and regulations contribute to the, transparency and accountability principles.

In addition, information obtained from in-depth interview sessions and the survey participation also approved this fact. To ensure transparency and accountability in public procurement of RHD Government should take the initiative and the lead; and all stakeholders including the government, the procuring public entities, the business community, the academic institutions and the procurement professionals should cooperate and undertake complete procurement transformation through business process reengineering and change management.

#### **Deliberate Contract Failure:**

The common manifestations of bid rigging in RHD are complementary bidding, bid rotation and/or market allocation. In complementary bidding token bids that deliberately fail to meet all of the requirements of the tender are submitted in order to allow a favored bidder to win. In rotation bidding it is agreed that only one contractor submits a bid for a current contract, followed by another contractor in the collusion ring for the next contract. Bidders also take prearrangement to divide up all the contracts. 50 % respondents of study area are agreed that most of the tendering procedures and bidding are manipulated by deliberate contract failure and by bringing willing responsive and non responsive in procurement process.



**Accountability in Supply Contracts:**

Regarding procurement of additional deliveries and repeat orders the rule 77 of Public Procurement Rule-2008 stated that 'additional deliveries of goods and related services, from the original supplier, and repeat orders of similar nature from the original supplier or contractor shall be subject to the condition that the contract values must not exceed the threshold prescribed for the purpose'. But findings reveal that many procuring entities are not following this guideline in the course of taking additional deliveries. In engineering supply contracts, original or genuine parts and ingredients are never supplied. The contractor, after paying bribes to the RHD hierarchy, has to make some profit for himself after all. There would be nothing left if he purchased a genuine or new part. Sometimes, the contractor will purchase an original part which has been stolen from RHD stores with the connivance of the store-keeper. The rates of bribe paid to the different levels of RHD officials are well established and known to all relevant parties. Deviations from the standard rates are the prerogative of the higher level officials. The total bribes paid by a contractor ranges from 37% to 47% of the gross contract value.

A sub-committee consisting of experts from Bangladesh University of Engineering and Technology had also been assigned to examine the technical aspects of the road's construction. According to the report, the committee checked at 26 points of the road and found that construction materials were not used on the road as per the conditions of the tender. The bill was paid to the contractors without verification, according to the report. The report further alleged that officials connected to the project were directly involved in corruption.

**Accountability in Road Construction:**

Prevailing corruption is involved in determining the path a new feeder road should follow. It is quite common for affected landowners to bribe junior level RHD officials or use of their political connections to change the course of a road. As a result, a road that had a straight alignment as per the original plan ends up with numerous bends. After the commencement of civil work, RHD officials receive kickbacks from the contractors either a direct payment at different stages of the job, or as a share of the contractor's surplus arising from an over-billed or fictitious or

substandard contract work which was knowingly approved by the RHD engineers in the first place.

A common example of the second type is the frequent re-carpeting of roads. The annual re-carpeting which takes place in Bangladesh would not be required had the work been done according to RHD's written specifications. By producing sub-standard work, the contractors and the collusive RHD officials jointly ensure the continuity of future corrupt earnings. Corruption is rampant in earthwork. Private contractors will usually make the road measurements just before the onset of the rainy season (March to June) and carry out earthwork during the rainy season when parts of the earthwork are washed away, making it impossible to verify the extent of the work. It is common practice for contractors to bill for trucked-in earth which involves a higher cost, when in fact the earth is usually dug up from the depressed areas on either side of the road. The windfall gains resulting from such fraudulent activities are pocketed by the contractor, who shares a part of it with the RHD executive engineer who certified the work and cleared it for payment.

Executive Director of Transparency International in Bangladesh told that the Roads and Highways Department is widely known as the most corrupt among government agencies with little accountability. 'The major portion of budgeted money for roads is abused. In most cases work is carried out by sub-contractors, which means a third or fourth party, which is a systemic weakness'. The engineers who are supposed to ensure the quality of the works never get punished for their mistakes due to a culture of impunity which deepens the problem. Had a handful of the budgeted money been spent on the roadwork, the roads would not have become so rundown so quickly. The roads and highways department of the government is a sink in the sea of corruption apparently less accountability, said one of the University teachers. Construction contracts too often are awarded to businesses unqualified to perform the work, which then is handed to a series of subcontractors, critics say. They grab the job using political influence, and later hand over the work to others, pocketing a major portion of the money. One project changes hands several times, so at the end there remains almost nothing for the road construction and repairs.

### Case Study:

According to the provision of Public Procurement Rule 27, a performance security shall be furnished by the successful tenderer in the amount specified in the Tender Data Sheet (TDS) following the threshold specified for this purpose. In the course of practice it is, however, found that the procuring entity did not forfeit the performance security even in the event of failure of the tenderer to perform the job. In the case of Dhaka-Mymensingh Four Lane Highway Project the first two packages W-1 and W-2 has been terminated for the sake of contract failure but the performance security did not forfeit which is the clear violation of PPR-2008. A large amount of public money has been lost through this violation. Another fraud is found in the beginning of the tendering the contractors submitted fraud performance security. It is also found in the study that the package has been terminated but the previous consultants have been paid from the same packages. Extra payment violating the PPR costs a big loss of public money which is unanticipated for a developing country like Bangladesh. The following table shows the loss of public money through the violation of PPR regarding performance security.

**Table: 5.2: Loss of Public Money**

Loss of public money	BDT (million)
Payment to consultant	44.57
Performance Security	362.67
Performance Security	283.89

Source: Audit Report (Appendix-V)

### **Military Stake in Dhaka-Mymensingh Four Lane Project:**

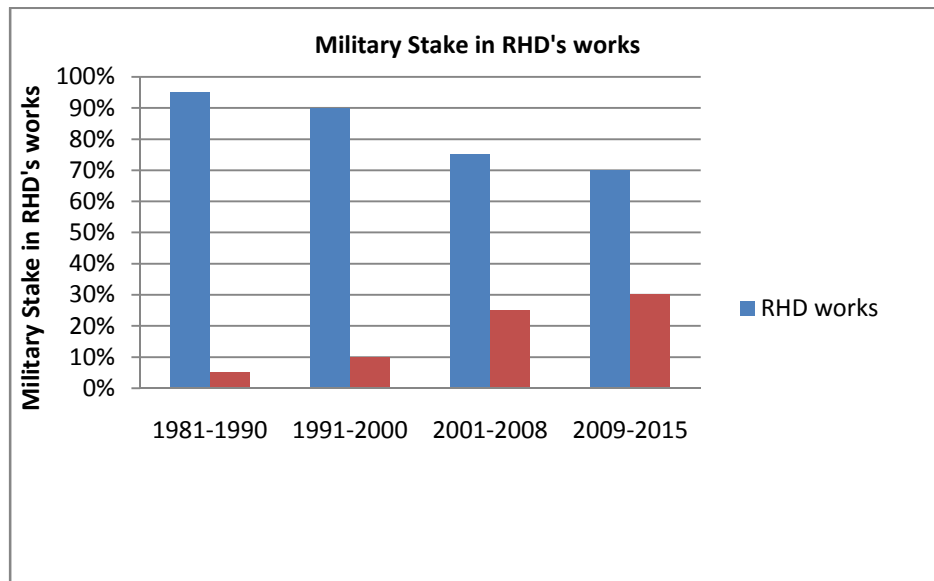
Military stake in RHD's works is burning issue in Bangladesh nowadays. The engagement of Bangladesh armed forces initially started to take place in the Chittagong Hill Districts (CHD) during mid 1970s. The history of CHD indicates that maximum time this region was unstable due to the very nature of geography and demography. All the area of Bangladesh is plain land and homogenous demography except the CHD where the area is hilly and tribe people from different culture were available. From the colonial history of neglected look towards the CHD people created the insurgency in the Hill area. After the independence of Bangladesh, Armed forces were deployed in CHD to control the tribal insurgency. To control the insurgency Government feels to develop this area through constructing road networks to communicate with remote area. Civil administration did not dare to construct road along with insurgency. In this regard Armed forces started to engage in civil road construction works. For long time it was restricted in CHD but for the time being they started to engage in civil construction works out of the CHD.

At this moment a lot of projects are running to construct the roads and bridges in Bangladesh. Top political leaders are greatly motivated by the armed forces work. A parliamentary watchdog committee recommended that the army should be involved in Dhaka-Mymensingh highway four-lane upgrading project to expedite the construction work as the contractor has failed to complete it in stipulated time. The parliamentary standing committee on road transport and bridges ministry also suggested that the ministry take necessary steps to commence and complete the construction work of all the projects under bridges division in due time. The army has already executed several key projects like Hatirjheel, Banani overpass, Zillur Rahman flyover, Mirpur-Airport connecting road and bridges in Thanchi and Ruma in Chittagong Hill Tracts. To this extent Government hires army to execute the works of Dhaka-Mymensingh Four Lane highway. Government entrusted Arm Forces to implement first two terminated packages (W-1=12 km, W-2=30 km) of Dhaka-Mymensingh Four Lane Project. Finally the third package also is taken up by Bangladesh Army as the previous contractor had not been completed in due time.

There has also been a request from Japan as well to carry temporary repair work of the bridge so that it remains usable for, at least, four to five years, said an official of Roads and Highways Department (RHD) under the supervision of which the bridge was constructed. One of the RHD engineers stated that our engineers or bridge construction companies do not have the technical knowledge and experience to carry out this kind of work. Besides, the government agencies like RHD and highway police also do not have the capacity to control excel load on the highway. For all these reasons, the government has sought the army's help in this regard. Through these activities the dependency upon armed forces is increasing day by day. On the other hand the impression of Roads and Highways Department is deteriorating year after year. Throughout these activities it is crystal clear that strengthening the impression of Arm Forces by weakening RHD. Ensuring financial accountability is in the great vulnerable area by entrusting Arm Forces to implement this project.

The following graphical presentation shows the gradual rising of military stake in Roads and Highways Department's works. On the other hand the working area of RHD is decreasing day by day. The trust on Army is rising for maintaining quality of works by costing a big amount of budget. Accountability of this expenditure remains in vulnerable condition. The following figure is created on the basis of the volume of construction but the financial involvement is much higher than the figure presents. The study also found that the trend of military involvement in RHD's construction works is rising day by day.

**Figure: 5.2: Military Stake in RHD's Works**



Source: [www.rhd.gov.bd](http://www.rhd.gov.bd)/[www.army.ml.bd](http://www.army.ml.bd)

There are some positive and negative implications are prevailing in the arena of financial accountability. When the Armed forces deployed for construction Government has to count three time's budget rather than RHD. Armed forces are committed to quality of works with their professionalism and punctuality. Arms also play a significant role in controlling public mob to acquire land and complete the work timely in the country like Bangladesh. To attain the objectives and accomplish the political manifesto government has to count a large amount of budget without having any monitoring mechanism over it. But the practice of accountability in public procurement is in exempted format for the Arm Forces on behalf of the major principal government itself. (Appendix-II-III)

#### **Military Stake in Public Procurement Practices:**

To accelerate and maintain the quality of works the government of Bangladesh implemented some projects by Arm forces. In practicing PPR there is much discussed debate in implementing policy of Arm forces. To ensure transparency and accountability Government enacted PPA-2006 and PPR-2008 respectively and it will be applied where the public money spent. But from the very beginning of the PPR policy implementation Arm forces was abstain from practicing PPA-2006 and PPR-2008 in their purchasing goods and services as well as construction projects

where as they follow DP-35 which was lastly revised in 1961 (Annexure-III). There is also a provision in PPA-2006 (68):

Unless the government otherwise decides in the interest of national security or national defense public procurement shall be undertaken in accordance with this act.

Instead of following these two policies which have been enacted by the government they follow 55 years back Defense Purchase Manual-35 and also following from the independence of Bangladesh. Findings also reveal that to some extent they follow PPR-2008. As they were exempted from following PPA-2006 and PPR-2008 (Appendix-III-IV) they should not be allowed to follow these two policies. In the same country the same policy is implementing in different ways maintaining dual policy for two government organization. In the same projects two implementing agency followed the same policy in different manner.

#### **Addressing Accountability in Military Involvement:**

In Dhaka-Mymensingh Four Lane Project Bangladesh Army implemented the works through deposit works. Army is assigned to spent defense budget and Defense Audit Directorate is responsible for external auditing to ensure accountability. Works Audit Directorate is responsible for ensuring accountability in Roads and Highways Department through external auditing. Studies found that there is a policy gap to settle the monitoring the money incurred through Deposit works. For this reason Deposit Works Budget of Arm Forces is prevailing out of auditing and monitoring. Comptroller and Auditor General is the last exchequer of public money but there is no instruction regarding the expenditure of deposit works in Comptroller and Auditor General manual. Which Audit Directorate will audit the expenditure through deposit works budget? For this reason civil budget spent by armed forces always is keeping out of accountability and monitoring escaping external auditing creating a scope of misappropriation of public money. This chance creates an opportunity of deviating financial allocation between two departments and creating a scope in manipulating budget. The following table shows a picture of deviation in financial allocation for the same works.

**Table: 5.2 Deviation of Financial Allocation**

Package	Length (km)	RHD's Budget	Arm Forces Budget
W-1	12 (km)	1300.212 (million)	8147.86 (million)
W-2	30 (km)	1977.406 (million)	
<b>Total</b>		3277.618 (million)	8147.86 (million)

**Source: DPP (JMRIP)<sup>12</sup>**

According to the constitution of people's republic of Bangladesh (Article 128-(1) Public accounts of the Republic, all courts of law, all authorities & officers of Govt., anybody corporate established by law shall be audited by Comptroller and Auditor General or any person authorized by him shall have access to all records.....documents..... stores or government property in possession of person in service of the Republic. Comptroller and Auditor General in exercise of his functions shall not be subject to direction or control of any other person or authority. Findings reveal that Organization of Special Works (OSW) of Engineering Construction Battalion-17 implemented the two packages W-1 and W-2 and spent 7511.46 (million) BDT. But they did not submit any papers against it for external auditing which is clear violation of Constitutional mandate of Comptroller and Auditor General in ensuring accountability in Dhaka-Mymensingh Four Lane Project.

**Role of Watchdog Agencies in Accountability:**

The Comptroller and Auditor General, after apprising the Prime Minister in compliance with the Rules of Business, submits the audit reports to the Honorable President of the Republic who shall cause them to be laid before the Parliament in accordance with Article 132 of the Constitution. The Auditor General's reports are discussed by the Public Accounts Committee (PAC) of the Parliament. The PAC deals with important observations and comments of the audit reports through threadbare scrutiny, simultaneously giving hearing to the Principal Accounting Officers (Secretaries of different ministries) and concerned officials. PAC findings include the

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<sup>12</sup> Official name of Dhaka-Mymensingh Four Lane Highway Project is Joydebpur-Mymensingh Road Improvement Project (JMRIP).



responses of the ministries and executive agencies along with the recommendations of the Committee. PAC recommendations are usually accepted by the executive departments. OCAG provides necessary support to PAC in effective functioning.

The audited accounts and audit report are submitted to the legislature for review. The legislature refers Public Accounts Committee (PAC) from amongst its members to undertake the review and report to the full House. The chairmanship of the PAC traditionally goes to an opposition member, so that the PAC is seen to be independent of the party in power. For the same reason, members who hold executive office, such as ministers, are excluded since they cannot be expected to bring an independent view to bear<sup>13</sup>.

In principle, the PAC examines the public accounts and report(s) of the state audit institution with a view to ensure: firstly, that the expenditures shown in the account as disbursed were legally available for the purpose on which they were spent; secondly, that the expenditures conformed to the authority governing them; thirdly, that every re- appropriation was made in accordance with the rules; and fourthly, that all revenues were brought to account. For this function it can call on the heads of departments or other officers who are legally responsible for financial administration. The PAC holds hearings taking up the audit objections and reports back to the legislature. Reports may also go to the respective heads of departments and to the Ministry of Finance for follow up. In practice, the PACs in a country like Bangladesh, where they exist at all, are weak: they may fail to meet, or be unable to work together, or fail to issue reports, or their reports are ignored.

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<sup>13</sup> This is not true in respect of accounts for years when their party was not in power. Given a typical parliament life of five years and two parties taking power alternately, a corresponding delay of five years in the completion of audited accounts would mean that the opposition members of a PAC would always be examining their own periods in office. In some Bangladesh, some years' accounts escape legislative scrutiny altogether as PAC chairmen are unwilling to expose maladministration in which their colleagues may be implicated.

**Epilogue:**

The findings of the study suggested that the level of accountability observed in public procurement practices of RHD is low. Although the legal and institutional frameworks including detailed procedures of public procurements are more or less laid down, this is an important indication for RHD to ensure the actual practices against the available best practices. If public procurement is to play a role of economic development and utilization of public resources, assurance of best practices and accountability is a decisive requirement. The empirical outcomes of this study provide some momentous findings. The level of accountability of Roads and Highways Department does not provide good intuition. Stakeholders of the field area are ignorant about major functions of procurement. The study reveals that the deliberate contract failure and willing responsive show the lack of accountability in public procurement of RHD. Military stake in RHD's works helps to increase the loss of public money. Accountability mechanism is not maintained properly in the whole project completion. Most of the bidding is greatly manipulated; violation of PPR is rampant in the different phases of procurement. Above all, lack of transparency and accountability in public procurement negatively affects the whole process and systems, and leads to mismanagement of public resources and corruption. If we recognize public procurement as a strategic governance issue achieving transparency and accountability is as critical as it is the largest single cause for allegations of corruption and government inefficiency.

## **Chapter - Six**

### **Conclusion and Way forward**

#### **Prologue:**

It is now a well documented fact that across both developed and developing countries; public procurement is the most corruption prone activity within government. Corruption in public procurement manifests in various forms such as misappropriation of funds, bribery or kick-back, nepotism, and fraud. There is now very limited doubt among policy makers, managers, professionals and academics about the importance of public procurement in facilitating government operations in both developed and developing countries. Corruption is disastrous to the sound functioning of any government department. Corruption has been an intractable problem in many developing countries; especially where it has become systematic to the point, where many in government have a stake. It diverts decision-making and the provision of services from those, who need them to those, who can afford them. For Bangladesh's social and economic development there is no option to good public governance. An important benchmark of good governance is a system of transparent and accountable public procurement. This research has argued that despite a modern procurement law in Bangladesh, the practice of transparency and accountability in public procurement is still neglected in implementation. Needless to say, public procurement policies or systems are inherently intricate but are society-specific. Despite certain global standards, procurement policies of any given country often go through changes.

#### **Way Forward:**

Ultimate objective of ensuring transparency and accountability in procurement practices is to ensure value for money in utilization of public resources. Last two decades of public procurement reform initiatives shown that without having effective transparency and accountability in procurement practices development process will be greatly hindered in every

stages. In view of the findings of the study, we can put forward some remedial measures to make the procurement practices more transparent and accountable in RHD.

### **Integrity Pact:**

Transparency International developed the Integrity Pact as a tool to establish a level playing field in a contracting process by encouraging organizations to abstain from bribery by providing assurances that their competitors will also refrain from bribery, and that government procurement, privatization or licensing agencies will commit to preventing corruption (including extortion) by their officials and to following transparent procedures. An Integrity Pact is signed for a particular procurement project between the government agency undertaking the procurement (the “principal”) and companies submitting a tender for that specific project (the “bidders”). The major elements are:

- An undertaking by the principal that its officials will not demand or accept any bribes, gifts or payments of any kind and maintain appropriate disciplinary, civil or criminal sanctions in case of violation.
- A statement by each bidder that it has not paid, and will not pay, any bribes in order to obtain or retain the contract.
- An undertaking by each bidder to disclose all payments made in connection with the contract in question to anybody (including agents and other middle men as well as family members of officials).
- The explicit acceptance by each bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning bidder until the contract has been fully executed.
- Undertakings on behalf of a bidding agency will be made “in the name and on behalf of the agency’s Chief.
- Bidders must have an organization code of conduct and a compliance program for the implementation of the code of conduct throughout the institution.
- A set of sanctions for any violation by a bidder of its statements or undertakings, including:
  - ❖ Denial or loss of contract

- ❖ Forfeiture of the bid or performance bond or other security
- ❖ Liability for damages to the principal and the competing bidders
- ❖ Debarment of the violator by the principal for an appropriate period of time
- An independent external expert monitor, who is usually selected jointly by the procuring agency and civil society and has wide-reaching rights and functions,

### **Third Party Monitoring:**

Third party monitoring can be introduced with a view to ensuring transparency and accountability in procurement practices in Roads and Highways Department with the adoption of quality management. Civil society can still play an effective role in preventing and uncovering corruption by monitoring selected procurements. Monitors can be a key to maintaining the integrity of the process; simply the fact that someone is watching can deter corruption. Civil society participation increases transparency by engaging the public more fully in the procurement process and providing information about different aspects of procurement. Monitors can enhance accountability by identifying corrupt actors and seeking government sanctions against them. Finally, they support fairness and efficiency by identifying irregularities in the procurement process and independently investigating them.

### **E-procurement:**

E-procurement can increase the number of suppliers and the amount of competition by making access easier and significantly enhancing transparency by centralizing all information related to the procurement process in a publicly available web portal. E-procurement can limit the opportunities for corruption by automating procedures and reducing the amount of discretion exercised by procurement officials and their personal contact with private sector representatives.

E-procurement systems facilitate access for all stakeholders to:

- Budgets for government agencies
- Annual procurement plans for all government agencies.
- Tender notices and bidding documents.
- Minutes/records of bidders' conferences

- Bid clarification information.
- Record of bids received and publicly opened.
- Names of contract awardees and price information.
- Statistics on suppliers, purchases by government entities and suppliers.
- Consolidated reports on all transactions (by region, by purchaser, by supplier or by other criteria, such as by official approving the award).

One of the primary benefits that can result from the adoption of e-procurement is cost savings. South Korea estimated using e-procurement saved US\$8 billion annually in transaction costs and brought the average transaction time down from 30 hours to two.

#### **Stakeholders' Involvement:**

Public procurement malpractices could be limited through the employment of stakeholders such as civil society organizations to be part of the procurement process. The current status of the procurement system requires the creation of three bid committees, namely the bid specification committee, the evaluation committee and the opening committee. For the purpose of compliance and to minimize unethical and corrupt practices, stakeholders should be involved in the evaluation and opening process. This will ensure and support open governance. Open governance creates the conditions for effective collaboration between governments and citizens in a process that enhances legitimacy and accountability of public decision-making. Stakeholder involvement will also encourage public servants to be more deliberate about decisions they make and will provide citizens as well as stakeholders with the opportunity to hold their leaders accountable. It will improve the efficiency of government institutions; reduce fraud and waste of public finances.

#### **Uniform Public Procurement Practices:**

- The study reveals that the Public Procurement Rules practices are not similar in every department. In Bangladesh there is different implementing procedure in procurement practices. A Policy should be implemented equally for all public office and an official as every policy is public policy.

- Strengthening the capacity of Comptroller and Auditor General.
- Establish the constitutional mandate of Comptroller and Auditor General in every step. Constitutional mandate is for all citizens and departments. It should not be changed as per the functions of an individual department.

The law also provides for 'emergency flexible purchases'. Section 68 of the PPA provides that in order to meet a national urgency or a catastrophic event, the government in the public interest and with the recommendation of the Cabinet Committee on Economic Affairs may procure goods/services on an urgent basis by following the direct purchase method or any other method as provided in s. 32 of the Act.

It should be noted with emphasis here that the government preserves the power to exempt procurements from the operation of the PPA 2006 in the interest of national security and defense. Although the defense purchases in Bangladesh are also subject to the PPA and PPR as well as internal audit at the Defense Services, there is no indication regarding the spending of civil budget through deposit works. This gap in ensuring accountability in public procurement should be considered.

### **Epilogue:**

The management of public expenditure is widely recognized as a crucial element in the governance agenda. Yet public procurement, which determines how expenditure plans are to be implemented and by whom, is often ignored or at best misunderstood by those other than the procurement experts and related lawyers. It is viewed through a limited governance lens as a major source of fraud and corruption and managed through an extensive set of rules and procedures focused on bid and award. Adopting a broader governance perspective that focuses on the desired outcomes of the procurement process would result in more robust set of policies and procedures that recognize the essential balance between compliance and discretion. Doing this, however, requires a holistic approach to the procurement process as well as the active commitment and involvement of a broad range of stakeholders. Legal instruments provide provisions for transparency and accountability in different stages of the procurement

chain. It is critical to monitor implementation of procurement law and procurement processes. Lack of transparency and accountability provides an enabling environment for taking place of all these forms of corruption in public procurement. The findings of the study do not present any pleasing picture. Transparency and accountability in procurement practices in Roads and Highways Department has been found to be significantly very low. Though, there is some transparency and accountability practices in implementation stages of procurement, it is mainly guided managed and maneuvered. There is double standard in implementation of public procurement policy when two packages are implemented by Bangladesh Army. Army's implementation policy of procurement is not similar to RHD. Mostly procurement policy is restricted in Arm Forces where transparency and accountability are greatly mistreated although PPR is enacted at the same context. In the light of above analyses, it can be said that RHD's public procurement practices too have certain limitations which should be overcome in order to achieve wider transparency and accountability of the government in procurements. Thus, the study points out that lack of transparency and accountability in procurement practices creates the breeding ground for corruption trailing a great deal of public money.



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**Appendix-I:**

**Master in Public Policy and Governance Program  
Department of Political Science and Sociology  
North South University, Bangladesh**

The objective is to make use of the data for dissertation under Masters in Public Policy and Governance (MPPG) Program of North South University. Title of the thesis is *“Public Procurement in Roads and Highways Department: A Tussle of Transparency and Accountability”*

From: S. M. Mahmudul Hasan

Masters in Public Policy and Governance (MPPG)

North South University, Bangladesh.

**Target Group:**

For the purpose of the study, in the case of questionnaire survey, the selected respondents will be divided into four categories; (1) Technical Professionals (2) Contractors (3) Suppliers (4) Local literate people

**Dear Respondents:**

The questions and answers of this questionnaire will be used for a research purpose only. It aims at addressing Transparency and Accountability in Public Procurement of Roads and Highways Department of Bangladesh. I seek your kind cooperation as it will help to complete this research. It is assured that the answers given by you will only be used for above mentioned research and your name and address will not be disclosed as per research ethics. You are encouraged to provide honest answers.

***Thanks in advance for your kind cooperation.***

**Part-01: You and Your Experience:**

1. Name:.....

Male  Female

2. Title:.....

3. Present Position:.....

Junior level  Mid level  Senior level

**04: Employer/Profession:**

- a) Government
- b) Autonomous/Semi Autonomous Body
- c) Local Body
- d) Others
- e) Contractor/Supplier

**05: Experience (in yrs):**

- a) 0 to 5 Years
- b) 5 to 10 Years
- c) 10 to 15 Years
- d) 20 Years+

**06: Procurement Experience (In yrs):**

- a) 0 to 5 Years
- b) 5 to 10 Years

**Part-02: Questions:**

1. ***Do you think that the quality of works has been maintained in building this Highway?***

Yes  No  No comments

2. ***Have you seen any irregularities in construction of Dhaka-Mymensingh Four Lane Highway?***

Yes  No  Somewhere  No comments

3. ***Do you think that extra time has been spent to complete the project?***

Yes  No  Done timely  No comments

4. ***Do you think that the land owner got their real price in acquisition of land?***

Yes  No  Deprived  Rightly paid

**5. What are the major problems to complete this project timely?**

Contract problem  Quality of works  Political Interest  Corruption

**6. What legal framework has been followed in evaluating the tender of this project?**

Based on:

Standard Tender Document  PPR-2008  E-GP-2011

**7. Did you arrange any meeting between executing agency and Local public representative/civil society?**

Yes  No

**8. Do you think that material has been supplied as per specification to maintain the quality of works?**

Yes  No

**9. What type of tendering method is followed in this project?**

OTM  LTM  TWO STAGE  RFQ

**10. Is PPR-2008 enough to ensure transparency in public procurement of RHD?**

Yes  No  No idea  Out of concern

**11. How long the project completion time has been extended?**

6 months  1 year  2 years  more than 2 years

**12. How the revised cost has been adjusted?**

Revise the budget  Increase allocation  Foreign Aid  Not known

**13. It is known that the two packages of the project had been terminated. What are the valid reasons behind termination?**

Political Intervention  Due to Corruption  For maintaining quality of works

**14. Why at some point the Organization of Special Works (West) of Army became involved in implementing the two packages of the project, at some point instead of RHD?**

Contractors failure  Quality of supplied materials  Financial Misappropriation

**15. Why suppliers and contractors have many complaints regarding getting their payment against RHD officials?**



Delay of payment  Unholy Nexus  Lack of cooperation  Distribution of speed money

**16. Do you think that Electronic Government Procurement (e-GP) is reflected through this project?**

Yes  No

**17. How accountability is maintained in expenditure?**

Internal Auditing  External Auditing  Not known

**18. How reporting mechanism is maintained in implementing the works?**

Monthly report  Quarterly report  Annual report  No reporting

**19. Do you think that accountability mechanism is maintained properly in this project?**

Yes  No

**20. Is Annual Performance Agreement between RHD and Cabinet Division maintained in the whole project completion period?**

Yes  No  Not known

**21. Do you think that Comptroller and Auditor General (C&AG) Office plays any role in ensuring accountability in Public Procurement of RHD?**

Yes  No  Not known

**22. How would you like to rank responsiveness of project management in giving/taking timely and proper reply/report to the ministry? (1 for lowest, 5 for highest)**

Not much responsive Medium Very much responsive

1  2  3  4  5

**23. How much serious the Ministry of Roads Transport and Bridges in responding the project's report to the project management ?(1 for lowest, 5 for highest)**

Not serious Moderate Very serious

1  2  3  4  5

**24. Do you think effective public procurement will ensure value for money in RHD?**

Yes  Partially  Not known

**25. How would you like to rank the following indicators for assessing the transparency in public procurement of RHD? (1 for lowest, 5 for highest)**

<b>Indicators of Transparency</b>	<b>1</b> <b>Strongly</b> <b>Disagree</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b> <b>Strongly</b> <b>Agree</b>
Laws and regulations concerning procurements are easily accessible to the public.					
All written records of procurement including minutes of proceeding of all meetings are made available to the general public.					
Summaries of information about public procurement are usually published.					
Bid/procurement opportunities are adequately publicized.					
Annual procurement plan is published on the website of the CPTU					
Standard Bidding Documents are used for all types of procurement.					
Citizens do have access to information regarding the practices of procurement.					
Clear and Comprehensive bidding documents are published in standard form and made available to the public.					
All successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written notification.					
Notices concerning the award of procurement contracts are usually published by the organization.					
All advertised bidding was opened in front of the public.					
Qualification requirements for bidders are fair and appropriate.					
Electronic Procurement (e-GP) has already been practiced.					
A complete and adequate record of procurement activities are kept by the organization.					

**26. How do you like to rank RHD in institutional corruption?**

No corruption     Medium     Highly corrupt

1	2	3	4	5
Lowest		Highest		

**27. Do you think that the procurement management of RHD is satisfactory? (1 for lowest, 5 for highest)**

- Not satisfactory       Partially Satisfactory       Fully Satisfactory  
 1       2       3       4       5

**28. Please rank the following statements as you value them in present procurement?**

- Fair tendering  
 Free flow of information  
 Accurate reporting  
 Timely completion

1	2	3	4	5
Lowest		Highest		

**29. How do you like to rank procurement regulations in procurement of RHD?**

- STD     PPR-2003     PPA-2006     PPR-2008     e-GP, 2011

1	2	3	4	5
Lowest		Highest		

**30. How do you rank corruption in Dhaka-Mymensingh Four Lane Highway construction project?**

- Highly corrupt     Partially corrupt     No corruption     Not known

**31. How the value for money; has been reflected by the contractors and RHD/Project personnel in overall procurement functions?**

- 100%     80%     60%     40%

**32. Are you aware about procurement regulations of Bangladesh?**

- Yes     No

**33. How would you like to rank the following indicators for assessing the accountability in public procurement of RHD? (1 for lowest, 5 for highest)**

Indicators of Accountability	1	2	3	4	5
	Strongly Disagree				Strongly Agree

Appropriate separation of functions and responsibilities.					
Timely response to a legitimate request for information.					
Compliance with relevant financial and other delegations.					
Appropriate management reporting and evaluation processes.					
Accurate record keeping throughout the procurement process.					
Provide sufficient information to enable internal audit.					
Officers involved in procurement are committed to high standards for professional conduct or ethical principles.					
There is an adequate review of the conducts of procurement officers by the management of the organization.					
There is an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors.					
The bid challenge system is usually to assure fairness to suppliers and contractors in the procurement process.					
There is an accessible and secure process for bidders to report bribes by others.					
The procurement decision making process is independent and based on transparent criteria.					
Bidders have an adequate access to administrative review.					

**34. How the efficiency of consultants is taking into consideration in the recruitment process?**

1	2	3	4	5
Lowest		Moderate	Highest	

**35. If your answer is one of the last two, who do you think is to blame?**

- Contractor
- RHD official
- Both

**Please give the percentage if you agree to the last option.**

- Contractor      %       RHD personnel      %

**36. How much conscious the line ministry to monitor the project activities during project completion?**

- Not serious       Moderate       Serious  
 1       2       3       4       5

**37. Which factor you will rank highest regarding recruitment of consultants?**

- Political identity    Transparency    Nepotism    Bribery/Corruption

1	2	3	4	5
Lowest		Moderate		Highest

This academic study is conducted by S.M.Mahmudul Hasan, under the supervision of Dr. M. Emdadul Haq, Professor of Political Science & Sociology, North South University, Bangladesh.  
Researcher's Email: [mahmud302@yahoo.com](mailto:mahmud302@yahoo.com) Supervisor' Email: [mehaq57@gmail.com](mailto:mehaq57@gmail.com).

***Thanks again for your cordial cooperation.***

## Appendix-II

পাবলিক পলিসি এন্ড গভার্ন্যান্স (পিপিজি) প্রোগ্রাম  
ডিপার্টমেন্ট অব পলিটিক্যাল সাইন্স এন্ড সোসিওলজি  
নর্থ সাউথ বিশ্ববিদ্যালয়, ঢাকা, বাংলাদেশ

[সড়ক ও জনপথ বিভাগে সরকারি ক্রয়: ঢাকা-ময়মনসিংহ চার লেন মহাসড়ক প্রকল্পে স্বচ্ছতা ও জবাবদিহিতা অনুশীলন]

[প্রশ্নমালা]

[প্রিয় উত্তরদাতা, এ প্রশ্নমালার ভিত্তিতে প্রাপ্ত উত্তরসমূহ একটি গবেষণার কাজে ব্যবহার করা হবে। এ গবেষণার উদ্দেশ্য হচ্ছে বাংলাদেশের সড়ক ও জনপথ বিভাগে সরকারি ক্রয়ে স্বচ্ছতা ও জবাবদিহিতা প্রতিষ্ঠা দূর্নীতি রোধে কতটুকু সহায়ক ভূমিকা পালন করে তা যাচাই করে দেখা। আপনার সানুন্নয়ন সহযোগিতা এ গবেষণাটি সম্পন্ন করতে সহায়তা করবে। আপনার দেওয়া উত্তরসমূহ শুধুই গবেষণার কাজে ব্যবহার করা হবে এবং আপনার নাম ও পরিচয় গোপন রাখা হবে। সহযোগিতার জন্য আপনাকে আন্তরিক ধন্যবাদ।]

প্রথম অংশ:

পুরুষ  মহিলা

১. নাম:.....

২. পরিচয়:.....

৩. বর্তমান অবস্থান:

নবাগত  মধ্যম পর্যায়  উচ্চ পর্যায়

৪. চাকুরী/পেশা:

সরকারি  আধাসরকারি  স্বায়ত্বশাসিত  স্থানীয় সরকার  ঠিকাদার  সরবরাহকারী  
 অন্যান্য

৫. অভিজ্ঞতা:

৫ বছরের কম  ১০ বছর  ১৫ বছর  ২০ বছরের বেশি

৬. সরকারি ক্রয়/বিক্রয়ে অভিজ্ঞতা:

১-৫ বছর  ৫-১০ বছর  ১০-১৫ বছর

দ্বিতীয় অংশ: প্রশ্নমালা:

১. আপনি কি মনে করেন এই মহাসড়ক নির্মাণে গুণগত মান বজায় রাখা হয়েছে?

- হ্যাঁ  না  মন্তব্য নেই
২. আপনার দৃষ্টিতে ঢাকা-ময়মনসিংহ ৪-লেন মহাসড়ক নির্মাণে কোন অনিয়ম পরিলক্ষিত হয়েছে কি?  
 হ্যাঁ  না  কিছুক্ষেত্রে হয়েছে  মন্তব্য নেই
৩. আপনি কি মনে করেন উক্ত মহাসড়ক নির্মাণে অতিরিক্ত কালক্ষেপন করা হয়েছে?  
 হ্যাঁ  না  নির্দিষ্ট সময়ে হয়েছে  জানা নেই
৪. সময়মত প্রকল্প বাস্তবায়নের ক্ষেত্রে প্রধান সমস্যা কি ছিল?  
 ত্রুটিযুক্ত চুক্তি  কাজের গুণগত মান বজায় রাখা  রাজনৈতিক স্বার্থ  দূর্নীতি
৫. দরপত্র মূল্যায়নে কোন আইনটি অনুসরণ করা হয়েছে?  
 পিপিআর- ২০০৮  এসটিডি-সড়ক ও জনপথ  পিপিএ-২০০৬  ই-জিপি-২০১১
৬. ক্রয়পদ্ধতি পর্যবেক্ষণের জন্য স্থানীয় প্রতিনিধি/সুশীল সমাজ ও বাস্তবায়নকারী সংস্থার মধ্যে কোন সভা অনুষ্ঠিত হয়েছে কি?  
 হ্যাঁ  না  জানা নেই
৭. আপনি কি মনে করেন কাজের গুণগতমান বজায় রাখার স্বার্থে Specification অনুযায়ী সঠিক উপাদান (Material) সরবরাহ করা হয়েছে?  
 হ্যাঁ  না  জানা নেই
৮. নিম্নের কোন দরপত্র পদ্ধতি অনুসরণ করা হয়েছে?  
 উন্মুক্ত  সীমিত  দুই ধাপ  আরএফকিউ  সরাসরি ক্রয় পদ্ধতি
৯. সড়ক ও জনপথের সরকারী ক্রয়ে স্বচ্ছতা আনয়নে পিপিআর-২০০৮ কি যথেষ্ট?  
 হ্যাঁ  না  ধারণা নেই  বিবেচ্য নয়
১০. প্রকল্প বাস্তবায়নের সুনির্দিষ্ট সময় কত ছিল?  
 ১ বছর  ২ বছর  ৩ বছর  ৪ বছর
১১. প্রকল্প সম্পন্ন করতে কত সময় বাড়ানো হয়েছে?  
 ৬ মাস  ১ বছর  ২ বছর  ২ বছরের বেশি
১২. সময় বৃদ্ধির ফলে অতিরিক্ত খরচ কিভাবে সমন্বয় করা হয়েছে?  
 সংশোধিত বাজেট  বরাদ্দ বৃদ্ধি করে  বৈদেশিক সাহায্য  ক্ষতিপূরণ  জানা নেই
১৩. ইহা জানা জায় যে প্রকল্পের দুটি প্যাকেজ বাতিল করা হয়। প্যাকেজ বাতিলের মূল কারনগুলো কি ছিল?  
 রাজনৈতিক স্বার্থ  দূর্নীতি  কাজের গুণগত মানের অভাব  সমন্বয়ের অভাব  জানা নেই
১৪. বাতিলকৃত প্যাকেজ বাস্তবায়নে সড়ক ও জনপথের পরিবর্তে সেনাবাহিনী করার কারন কি?  
 ঠিকাদারের ব্যর্থতা  সরবরাহকৃত উপাদানের মান  কাজের ধীরগতি  আর্থিক অব্যবস্থাপনা

১৫. সড়ক ও জনপথের কর্মকর্তাদের বিরুদ্ধে সরবরাহকারী ও ঠিকাদারদের আর্থিক পাওনা পরিশোধের বিষয়ে অভিযোগের কারণ কি?

বিলম্বে পরিশোধ  কুচক্রি বন্ধন  সহযোগিতার অভাব  স্পিড মানি বন্টন

১৬. উক্ত উন্নয়ন প্রকল্পে কি Electronic Government Procurement (e-GP) এর কোন প্রতিফলন দেখতে পেয়েছেন?

হ্যাঁ  না  জানা নেই

১৭. আর্থিক ব্যায়ের ক্ষেত্রে কিভাবে জবাবদিহিতা নিশ্চিত করা হয়েছে?

অভ্যন্তরীণ নিরীক্ষা  বাহ্যিক নিরীক্ষা  জানা নেই

১৮. কর্ম বাস্তবায়নে কিভাবে প্রতিবেদন প্রতিপালন করা হয়েছে?

মাসিক প্রতিবেদন  অর্ধ বার্ষিক  বার্ষিক  কোন প্রতিবেদন প্রেরণ হয়নি

১৯. আলোচ্য প্রকল্পে জবাবদিহিতার বিষয়টি যথাযথভাবে অনুসরণ করা হয়েছে কি না?

হ্যাঁ  না  জানা নেই

২০. প্রকল্প বাস্তবায়নকালীন বার্ষিক কর্মসম্পাদন চুক্তি যথাযথভাবে প্রতিপালন করা হয়েছে কি?

হ্যাঁ  না

২১. মহা হিসাব নিরীক্ষক ও নিয়ন্ত্রক (C&AG) অফিস সড়ক ও জনপথ বিভাগের সরকারি ক্রয়ে স্বচ্ছতা আনয়নে কি কোন ভূমিকা পালন করে?

হ্যাঁ  না  জানা নেই

২২. মন্ত্রণালয় ও প্রকল্প ব্যবস্থাপনার মধ্যে প্রতিবেদন আদান প্রদান কে আপনি কিভাবে মূল্যায়ন করবেন? (সর্ব নিম্ন-১ সর্বোচ্চ-৫)

খুব বেশি তৎপর নয়  ১  ২  ৩  ৪  ৫

মধ্যম মানের  ১  ২  ৩  ৪  ৫

খুবই তৎপর  ১  ২  ৩  ৪  ৫

২৩. সড়ক পরিবহন ও সেতু মন্ত্রণালয় ব্যবস্থাপনার প্রতি উত্তরে কতটা সচেতন ছিল?

(সর্ব নিম্ন-১ সর্বোচ্চ-৫)

সচেতন ছিল না  গতানুগতিক  খুবই সচেতন ছিল

১  ২  ৩  ৪  ৫

২৪. প্রাতিষ্ঠানিক দূর্নীতিতে সড়ক ও জনপথ বিভাগকে কিভাবে মূল্যায়ন করবেন?

খুব বেশি দূর্নীতি  মাঝারি পর্যায়  কোন দূর্নীতি নেই

১  ২  ৩  ৪  ৫

২৫. আপনি কি মনে করেন কার্যকর সরকারী ক্রয় সড়ক ও জনপথ বিভাগে অর্থের সঠিক ব্যবহার নিশ্চিত করবে?

হ্যাঁ  কিছুটা  জানিনা



২৬. আপনি সড়ক ও জনপথ বিভাগের ক্রয় ব্যবস্থাপনা কতটা সন্তোষজনক মনে করেন?

- অত্যন্ত অসন্তোষজনক       কিছুটা সন্তোষজনক       খুবই সন্তোষজনক
- ১       ২       ৩       ৪       ৫

২৭. বর্তমান ক্রয় ব্যবস্থাপনার আলোকে নিম্নের বিবৃতিগুলোকে মূল্যায়ন করুন?

- স্বচ্ছ দরপত্র
- তথ্যের অবাধ প্রবাহ
- সঠিক প্রতিবেদন
- সময়মত সম্পন্ন

১	২	৩	৪	৫
সর্ব নিম্ন				সর্বোচ্চ

২৮. আপনি কি বাংলাদেশের ক্রয় সংক্রান্ত সমস্বন্ধে অবগত আছেন?

- হ্যাঁ       না

২৯. সড়ক ও জনপথের সরকারী ক্রয়ে ক্রয়নীতিমালাকে কিভাবে মূল্যায়ন করবেন?

- STD     PPR-2003     PPA-2006     PPR-2008     e-GP, 2011

১	২	৩	৪	৫
সর্ব নিম্ন				সর্বোচ্চ

৩০. সড়ক ও জনপথ বিভাগের সরকারী ক্রয়ে স্বচ্ছতা মূল্যায়নে নিম্নের নির্দেশকগুলোকে কিভাবে মূল্যায়ন করবেন?

(সর্ব নিম্ন-১ সর্বোচ্চ-৫)

নির্দেশক	১	২	৩	৪	৫
ক. সময়মত সঠিক ও পূনাস্ক তথ্য।					
খ. সকল যোগ্য সরবরাহকারীর সুযোগের সমতা।					
গ. সরবরাহকারী ও ক্রয়কারী প্রতিষ্ঠানের মাঝে উন্মুক্ত যোগাযোগ।					
ঘ. স্বচ্ছতা আনয়নে বিদ্যমান আইনের ভূমিকা।					

৩১. সড়ক ও জনপথ বিভাগের সরকারী ক্রয়ে জবাবদিহতা মূল্যায়নে নিম্নের নির্দেশকগুলোকে কিভাবে মূল্যায়ন করবেন?

(সর্ব নিম্ন-১ সর্বোচ্চ-৫)

নির্দেশক	১	২	৩	৪	৫
ক. দায়িত্ব ও কার্যাবলির সঠিক বন্টন।					
খ. সময়মত চাহিদাকৃত বৈধ তথ্যের উত্তর প্রদান।					
গ. প্রাসঙ্গিক আর্থিক ক্ষমতা অর্পণের সাথে সামঞ্জস্যতা।					
ঘ. সঠিক প্রতিবেদন ও মূল্যায়ন প্রক্রিয়া।					

ঙ. ক্রয় প্রক্রিয়ার তথ্য সংরক্ষণ।					
চ. বাহ্যিক ও অভ্যন্তরীণ নিরীক্ষা দলকে পর্যাপ্ত তথ্য দিয়ে সহায়তা।					

৩২. ঢাকা-ময়মনসিংহ ৪ লেন মহাসড়ক নির্মাণে কতটা দূর্নীতি হয়েছে বলে আপনি মনে করেন?

সবচেয়ে বেশি দূর্নীতি হয়েছে  কিছুটা হয়েছে  কোন দূর্নীতি হয়নি  জানিনা

১	২	৩	৪	৫
সর্ব নিম্ন				সর্বোচ্চ

৩৩. পরামর্শক নিয়োগ প্রক্রিয়ায় দক্ষতাকে কিভাবে বিবেচনা করা হয়?

১	২	৩	৪	৫
সর্ব নিম্ন				সর্বোচ্চ

৩৪. ঠিকাদার, সড়ক ও জনপথ কর্মকর্তা ও প্রকল্প কর্মকর্তাদের কর্তৃক সরকারি ক্রয় প্রক্রিয়ায় ( Value for money)

কতটা প্রতিফলিত হয়েছে?

১০০%  ৮০%  ৬০%  ৪০%

৩৫. আপনার উত্তর যদি শেষ দুটির একটি হয় সে ক্ষেত্রে কে দোষী?

ঠিকাদার  
 সড়ক ও জনপথ কর্মকর্তাবৃন্দ  
 উভয়ই

আপনি যদি শেষ উত্তরে একমত হন তাহলে কে কত শতাংশ?

ঠিকাদার %  সড়ক ও জনপথ কর্মকর্তাবৃন্দ %

৩৬. প্রকল্পের বাস্তবায়নের সময় কার্যক্রম পর্যবেক্ষণে মন্ত্রণালয় কতটা সচেতন ছিল?

সচেতন ছিল না  মোটামুটি  খুবই সচেতন ছিল  
 ১  ২  ৩  ৪  ৫

৩৭. পরামর্শক নিয়োগে নিম্নের কোন বিষয়টিকে বেশি প্রাধান্য দেওয়া হয়েছে?

রাজনৈতিক পরিচয়  স্বচ্ছতা  পক্ষপাতিত্ব  পেশাগত যোগ্যতা  ঘুষ/দূর্নীতি

১	২	৩	৪	৫
সর্ব নিম্ন				সর্বোচ্চ

\*\*\*সহযোগিতার জন্য আপনাকে আন্তরিক ধন্যবাদ\*\*\*

**Appendix-III**

- ২৭ -

বাংলাদেশী বাহিনীর সশস্ত্র ক্রয়  
 প্রধানমন্ত্রীর কার্যালয়  
 সশস্ত্র বাহিনীর বিভাগ  
 প্রশাসন ও সামরিক প্রশাসন পরিদপ্তর  
 ঢাকা মেমোরিয়াল  
 আলাহাবাদী রোড  
 ডায় ২৭১১  
 ঢাকা-১১০০  
 ১০-৯-১৪  
 Assiada Kogila  
 Bangladesh Supreme Co  
 High Court

৪৩০১/আম/আমি/এ এন্ড এম(পি)/১১৩৮

**সশস্ত্র বাহিনীর ক্রয় সংক্রান্ত বিষয়ে পাবলিক প্রকিউরমেন্ট রেকর্ডেশন-২০০৩ এর আওতা হতে অব্যাহতি**  
**করণ**

সংক্রান্ত :

ক। সশস্ত্র বাহিনীর বিভাগ সিটি নং ৪৩০১/আম/আমি/এন্ডএম(পি)/৩০ তারিখ ১১ জুলাই ২০০৩ (সম্বন্ধে)।

খ। বাংলাদেশ গেজেট অতিরিক্ত সংখ্যা (স্বপ্রজ্ঞাতন্ত্রী বাংলাদেশ সরকার, পরিচালনা মহলাঘর, মন্ত্রণালয় পরিদপ্তর ও মূল্যায়ন বিভাগ, মেডেল প্রকিউরমেন্ট টেকনিক্যাল ইউনিট/সে-ই-মাহলা নং, ঢাকা) তারিখ ০১ জুলাই ২০০৩ (সম্বন্ধে)।

গ। এমসি (ডিপি) নং নং এমএফসি(ডিপি)/প্রশা/নিবি/১৬০/৩৪ তারিখ ০২ মে ২০০৪ (সম্বন্ধে)।

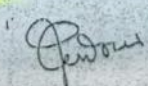
ঘ। সশস্ত্র বাহিনীর বিভাগ নং ৪৩০১/আম/আমি/এন্ডএম(পি)/৪৯৯ তারিখ ২৫ মে ২০০৪ (সম্বন্ধে)।

ঙ। এমসি (ডিপি) নং নং এমএফসি(ডিপি)/প্রশা/নিবি/১৬০/৩৪ তারিখ ২৫ জুলাই ২০০৪ (সম্বন্ধে)।

১। সশস্ত্র বাহিনীর সশস্ত্র ক্রয়ক্রম পরিচালনা প্রচলিত ডিপি-৩৪ এর সংশোধিত পুস্তিকা "Manual of Defence Purchase Procedure" Vol-I and II আপনাদের মতামতের জন্য প্রার্থনা করা হয়েছে এবং আপনাদের মতামত যত্ন সহকারে পূর্বক মৌখিকভাবে ক্রয় ক্রয়ক্রম গ্রহণ করা হয়েছে। সশস্ত্র বাহিনীর সশস্ত্র ক্রয় ক্রয়ক্রম প্রত্যক্ষ বা পরোক্ষভাবে প্রকৃত প্রতিক্রম সম্পর্কিত নিয়ম আলাদা ক্রম পদ্ধতি বা কা বাধ্যতামূলক। সশস্ত্র বাহিনীর ক্রয় ক্রয়ক্রমে বিদ্যমান প্রকৃত ক্রয়ক্রম বাধ্যতামূলক এবং এর প্রকৃতি ৩(১) এর আলোকে সশস্ত্র বাহিনীর ক্রয় সংক্রান্ত ডিপি প্রকৃতি বহুভাগের এবং Manual of Defence Purchase Procedure-2004 পূর্ণাঙ্গ প্রকৃতি না হওয়া সত্ত্বেও ডিপি-৩৪ এর আলোকে সশস্ত্র বাহিনীর সশস্ত্র ক্রয়ক্রম পরিচালনা করার প্রকৃত মতামত প্রকৃত অনুমোদিত হয়েছে।

২। **অতএব, Manual of Defence Purchase Procedure-2004 (MDPP-2004) পূর্ণাঙ্গ প্রকৃতি না হওয়া সত্ত্বেও**  
**সশস্ত্র বাহিনীর সশস্ত্র ক্রয়ক্রম পূর্বক ডিপি-৩৪ এর আলোকে চলমান রাখতে।**

৩। সংশ্লিষ্ট সকলের মতামত অবগতি এবং পরবর্তী কার্যক্রমের জন্য প্রেরণ করা হল।

  
 মোঃ শাহগুদিন ফেরদৌস  
 মেজর  
 সি এম ও এর পক্ষে

বিভাগ :  
 পরিদপ্তর :  
 দপ্তর :  
 এমসি (ডিপি)  
 নতুন নিয়ম মন্ত্রণালয়  
 মন্ত্রণালয়, ঢাকা  
 অবগতি :  
 স্বপ্রজ্ঞাতন্ত্রী বাংলাদেশ সরকার  
 পরিচালনা মহলাঘর  
 মন্ত্রণালয় পরিদপ্তর ও মূল্যায়ন বিভাগ  
 মেডেল মাহলা নং, ঢাকা  
 সেনাবাহিনী প্রধানের সচিবালয়  
 ঢাকা সদর  
 ঢাকা সেনাবাহিনী

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গীনিড



## Appendix-IV

৪৩০১/আর/আর্মি/এএলএল(পি)/৮৬

সশস্ত্র বাহিনীর ক্রয় সংক্রান্ত বিষয়ে 'পাবলিক প্রকিউরমেন্ট বিধিমালা-২০০৮' হতে অব্যাহতি প্রসঙ্গে

বরাহতঃ

ক। Allocation of Business Among the Different Ministries and Divisions (Schudule I of the Rules of Business, 1996) (ফটোকপি সংযুক্ত)।

খ। গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, মন্ত্রিপরিষদ বিভাগ, ক্রয় ও অর্থনৈতিক শাখা পত্র নং মপবি/শ-ক্রয়/বিবিধ-৮(৮)/২০০৭(অংশ-১)-২৫ তারিখ ২১ জানুয়ারি ২০০৯ (ফটোকপি সংযুক্ত)।

গ। সশস্ত্র বাহিনী বিভাগ, প্রশাসন ও ব্যবস্থাপনা পরিদপ্তর পত্র নং ৪৩০১/আর/আর্মি/এএলএল(পি)/৮৬ তারিখ ২৫ আগস্ট ২০১১ (ফটোকপি সংযুক্ত)।

ঘ। সেনাসদর, এজি'র শাখা (বেতন, ভাতা এবং হিসাব পরিদপ্তর) পত্র নং ৩৮৫২/সিএমটিডি/বেভাহি-৩ তারিখ ০১ অক্টোবর ২০১৪ (সকলকে নহে)।

১। বরাহত ঘ পত্রের প্রেক্ষিতে সশস্ত্র বাহিনী ও আন্তঃবাহিনী সংস্থা সমূহের ক্রয় কার্যক্রমের বিষয়ে অডিট অধিদপ্তর কর্তৃক উপস্থাপিত বিভিন্ন অডিট আপত্তি নিরসনকল্পে নিম্নবর্ণিত বিষয় সমূহের উপর আপনাদের দৃষ্টি আকর্ষণ করা হলো :

ক। পাবলিক প্রকিউরমেন্ট আইন-২০০৬ এর ধারা ৭০ এর ক্ষমতাবলে সরকার কর্তৃক পিপিআর-২০০৮ প্রণয়ন করা হয় যা সরকারী প্রজ্ঞাপনের মাধ্যমে ৩১ জানুয়ারি ২০০৮ তারিখ হতে কার্যকরী ঘোষণা করা হয়েছে। পাবলিক প্রকিউরমেন্ট আইন-২০০৬ এর ধারা ৬৮ (২) এ উল্লেখ রয়েছে যে,

"জাতীয় নিরাপত্তা বা জাতীয় প্রতিরক্ষার স্বার্থে সরকার ভিন্নরূপ কোন সিদ্ধান্ত গ্রহণ না করিলে, এ আইন অনুসারে সরকারী ক্রয় সম্পন্ন করিতে হইবে।"

খ। গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, মন্ত্রিপরিষদ বিভাগ, ক্রয় ও অর্থনৈতিক শাখা পত্র নং মপবি/শ-ক্রয়/বিবিধ-৮(৮)/২০০৭(অংশ-১)-২৫ তারিখ ২১ জানুয়ারি ২০০৯ এ উল্লেখ করা হয়েছে যে,

"জাতীয় নিরাপত্তা বা জাতীয় প্রতিরক্ষার স্বার্থে যথাযথ মনে করলে সরকার, সিদ্ধান্ত গ্রহণপূর্বক, প্রতিরক্ষা ক্রয়কে সাধারণভাবে, বা বিশেষ বিশেষ ক্ষেত্রে, এই আইনের আওতা বহির্ভূত করিতে পারবে।"

গ। কেবিনেট ডিভিশন কর্তৃক জারীকৃত Allocation of Business Among the Different Ministries and Divisions (Schudule I of the Rules of Business, 1996) এ সশস্ত্র বাহিনী ও আন্তঃবাহিনী সংস্থা সমূহের ক্রয় সংক্রান্ত বিষয়ে নীতিমালা প্রণয়নের জন্য সশস্ত্র বাহিনী বিভাগকে দায়িত্ব অর্পন করা হয়েছে।

ঘ। শুরু থেকেই সশস্ত্র বাহিনীর ক্রয় কার্যক্রম ডিপি-৩৫ এবং সরকার অনুমোদিত অন্যান্য ক্রয়নীতি অনুসরণ করতে সক্ষম করা হচ্ছিল। জাতীয় নিরাপত্তা ও প্রতিরক্ষার বিষয়টি ছাড়াও সরকারী অন্যান্য ক্রয়ের সাহিত সশস্ত্র বাহিনীর ক্রয়ের পদ্ধতিগত পার্থক্যের বাস্তবতা, সশস্ত্র বাহিনীর ক্রয়ে পিপিএ-২০০৬ এবং পিপিআর-২০০৮ প্রয়োগের বাস্তবতা যাচাই, উভয় প্রকার ক্রয় পদ্ধতির সমন্বয় সাধনের উপযুক্ততা যাচাই ইত্যাদি সম্পন্ন করা একটি সময় সাপেক্ষ বিষয়। ইতিমধ্যে সশস্ত্র বাহিনীর ক্রয় কার্যক্রম চলমান রাখাও একটি গুরুত্বপূর্ণ বিষয় হয়ে দাঁড়ায়। এ প্রেক্ষিতে পিপিএ-২০০৬ এবং পিপিআর-২০০৮ এর বিষয় সমূহ আমলে নিয়ে ডিপি-৩৫ এবং সরকার অনুমোদিত সশস্ত্র বাহিনী ক্রয় সংক্রান্ত অন্যান্য নীতিমালার আলোকে 'ডিফেন্স প্রকিউরমেন্ট রুলস্ (ডিপিআর)' প্রণয়নের কাজ হাতে নেয়া হয়। এ সকল বিষয় সমূহ এবং অনুচ্ছেদ ১ক, ১খ এবং ১গ এ উল্লিখিত প্রাধিকার সমূহ সামগ্রিকভাবে মাননীয় প্রধানমন্ত্রীর নিকট উপস্থাপন করা হলো ডিপিআর প্রণীত হওয়ার পূর্ব পর্যন্ত পিপিআর-২০০৮ হতে অব্যাহতিপূর্বক বিদ্যমান ডিপি-৩৫ এবং সরকার অনুমোদিত অন্যান্য ক্রয় নীতিমালা অনুসরণ করতে সশস্ত্র বাহিনীর ক্রয় কার্যক্রম চলমান রাখার বিষয়ে মাননীয় প্রধানমন্ত্রী অনুমোদন প্রদান করেন।

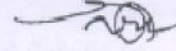
ঙ। এছাড়াও ডিপিআর প্রণয়নের কাজ চলমান অবস্থায়ই সশস্ত্র বাহিনী ক্রয় কার্যক্রমকে আরও গতিশীল করতে সশস্ত্র বাহিনী ক্রয় নীতিমালা-২০১০' মাননীয় প্রধানমন্ত্রী কর্তৃক অনুমোদিত হয়। বর্তমানে উক্ত ক্রয় নীতিমালাও সশস্ত্র বাহিনীর ক্রয়ে অনুসরণ করা হচ্ছে।

১  
ডিবি/ক্র

৪৩০১

২। উপরোল্লিখিত সিদ্ধান্তের আলোকে পাবলিক প্রকিউরমেন্ট আইন-২০০৬ কিংবা পিপিআর-২০০৮ এর সাথে সাংঘর্ষিক বিষয় না রেখেই সশস্ত্র বাহিনী ও আন্তঃবাহিনী সংস্থা সমূহের ক্রয় সংক্রান্ত বিষয়ে ডিপিআর প্রণয়নের ক প্রক্রিয়াধীন রয়েছে যা মাননীয় প্রধানমন্ত্রীর সদয় অনুমোদনের জন্য উপস্থাপনের নিমিত্তে বিভিন্ন মন্ত্রণালয়ের মতামতের যথাসীমাই প্রেরণ করা হবে বলে আশা করা যায়। তাই উক্ত নীতিমালা অনুমোদন অবদি মাননীয় প্রধানমন্ত্রীর অনুমোদন পিপিআর-২০০৮ হতে অব্যাহতিপূর্বক বিদ্যমান ডিপি-৩৫ এবং সরকার অনুমোদিত অন্যান্য ক্রয় নীতিমালা অনুসরণ সশস্ত্র বাহিনী ও আন্তঃবাহিনী সংস্থা সমূহের সকল ক্রয় কার্যক্রম সম্পন্ন করা হচ্ছে।

৩। বিষয়টি আপনাদের অবগতি ও পরবর্তী কার্যক্রমের জন্য প্রেরণ করা হলো।



মোঃ গোলাম সরওয়ার

স্কেঃ লীঃ

পিএসও এর পক্ষে

সংযুক্ত ঃ বরাত ক, খ এবং গ এর ফটোকপি- ০৫ (পাঁচ) পাতা।

বিতরণঃ

বহির্গমনঃ

কার্যক্রমঃ

সেনাসদর

এমজি'র শাখা (বেতন, ভাতা এবং হিসাব পরিদপ্তর)

ঢাকা সেনানিবাস

প্রতিরক্ষা অডিট অধিদপ্তর

অডিট কমপ্লেক্স (১০ তলা)

সেগুন বাগিচা, ঢাকা-১০০০

অবগতিঃ

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

প্রতিরক্ষা মন্ত্রণালয় (শাখা ডি-২০)

গণভবন কমপ্লেক্স

শেরে বাংলা নগর, ঢাকা-১২০৭

সেনাসদর

এমজিও শাখা (অর্ডন্যান্স পরিদপ্তর)

ঢাকা সেনানিবাস



## Appendix-V

অনুচ্ছেদ নং-০১

শিরোনাম : বাংলাদেশ সেনা বাহিনী ১৭ ইসিবি কর্তৃক বাস্তবায়িত প্যাকেজ নং ডব্লিউ-১ ও ডব্লিউ-২ এ ব্যয়িত ৭,৫১,১৪,৬১,৪০০/- টাকার স্বপক্ষে কোন রেকর্ডপত্র নিরীক্ষায় উপস্থাপন করা হয়নি।

বিবরণঃ

- প্রকল্প পরিচালক, (সওজ) জয়দেবপুর-ময়মনসিংহ সড়ক উন্নয়ন প্রকল্প, সেতু ভবন, বনানী, ঢাকা কার্যালয়ের শুরু হতে ২০১৪-২০১৫ আর্থিক সালের হিসাব ২৪-১১-১৫ খ্রিঃ তারিখ হতে ১০-১২-১৫ খ্রিঃ পর্যন্ত সময়ে স্থানীয়ভাবে নিরীক্ষা করা হয়।
- নিরীক্ষাকালে বর্ণিত প্রকল্পের আওতায় বাংলাদেশ সেনা বাহিনী ১৭ ইসিবি কর্তৃক বাস্তবায়িত চুক্তিপত্র নং ডব্লিউ-১ এবং চুক্তিপত্র নং ডব্লিউ-২ আওতায় জয়দেবপুর হতে রাজেন্দ্রপুর সেকশন (চেইঃ কি.মি.০০+০০০ হতে ১২+৬৫০) ও রাজেন্দ্রপুর হতে মাওনা সেকশন (চেইঃ ১২+৬৫০ হতে ৩০+২৫০ কি.মি.) পর্যন্ত ০২টি প্যাকেজে সড়ক উন্নয়ন কাজের আর্ডিপিপি অনুযায়ী বরাদ্দ ছিল ৮১৪,৭৮,৬৬,০০০/- টাকা। শুরু হতে ০৯-১১-২০১৫ পর্যন্ত উক্ত ০২টি প্যাকেজে মোট ব্যয় করা হয়েছে ৭৫১,১৪,৬১,৪০০/- টাকা। সুতরাং উক্ত ০২টি চুক্তির বিপরীতে সকল নিরীক্ষাযোগ্য রেকর্ডপত্র অর্থাৎ বিল-ডাউচার (আইপিসি) চুক্তিপত্র, প্রাক্কলন, এমবি, কার্যাদেশ, টেন্ডার ডকুমেন্টসহ কাজের অগ্রগতি নিরীক্ষা দলের নিকট উপস্থাপনের জন্য ১৮-১১-২০১৫ তারিখ স্মারক নং জেএমআর আইপি-৪৯/১১-১৪৪৩ এর মাধ্যমে প্রকল্প পরিচালক (সওজ) জয়দেবপুর-ময়মনসিংহ সড়ক উন্নয়ন প্রকল্প, ঢাকা এবং পূর্ত অডিট অধিদপ্তরের নিরীক্ষা দল নং-০৮ কর্তৃক ০১-১২-২০১৫ খ্রিঃ তারিখে স্মারক নং ডিজি পূর্ত অডিট/নিঃসঃ-০৮/২০১৪-১৫/০৬ এর মাধ্যমে বাংলাদেশ সেনা বাহিনী স্পেশাল ওয়ার্কস অর্গানাইজেশন এসডব্লিউ (পশ্চিম) সেনানিবাস ঢাকা এবং সেনাবাহিনী ১৭-ইসিবি গাজীপুর বরাবর চাহিদাপত্র ইস্যু করা হয়। কিন্তু নিরীক্ষা চলাকালীন পর্যন্ত বর্ণিত চুক্তি নং ডব্লিউ-১/০১ ও ডব্লিউ-১/২ এর স্বপক্ষে কোন নিরীক্ষাযোগ্য রেকর্ডপত্র উপস্থাপন করা হয়নি (বিস্তারিত বিবরণ পরিশিষ্ট “ক” সংযুক্ত)।
- গণপ্রজাতন্ত্রী বাংলাদেশ সংবিধানের ১২৮(১) অনুচ্ছেদ এবং বাংলাদেশের কম্পিউটার এন্ড অডিটর জেনারেল এর অতিরিক্ত কর্ম আইন-১৯৭৪ এর ৮(এবি) এবং ১০ ধারা বলে নিরীক্ষাযোগ্য নথিপত্র ও দলিল দস্তাবেজ নিরীক্ষা দল সমীপে উপস্থাপনের নির্দেশ রয়েছে। কিন্তু আলোচ্য চুক্তি নং ডব্লিউ-১/০১ ও ডব্লিউ-১/২ এর ক্ষেত্রে তাহা প্রতিপালন করা হয়নি।

স্থানীয় কর্তৃপক্ষের জবাবঃ

- প্রকল্প পরিচালকের অফিস হতে ডিপোজিট ওয়ার্ক এর বিপরীতে সেনাবাহিনীর চাহিদা মোতাবেক বরাদ্দ দেয়া হয়। সকল কাগজপত্র সেনাবাহিনীর সংশ্লিষ্ট অফিসে (১৭ ইসিবি) সংরক্ষিত আছে। এ বিষয়ে প্রকল্প অফিসকে অবহিত করা হলো। অতএব, আপত্তিটি নিষ্পত্তির জন্য অনুরোধ করা হল।

নিরীক্ষার মন্তব্যঃ

- স্থানীয় অফিসের জবাব গ্রহণযোগ্য নয়। কারণ প্রকল্প পরিচালকের অফিস হতে ডিপোজিট ওয়ার্ক এর বিপরীতে সেনা বাহিনীর চাহিদা মোতাবেক বরাদ্দ প্রদান করা হয়। উক্ত বরাদ্দের প্রেক্ষিতে সেনা বাহিনীকে পরিশোধিত সকল কাগজপত্র সংগ্রহ, সংরক্ষণ এবং নিরীক্ষা দলের চাহিদা মোতাবেক সরবরাহ করা পিডি অফিসের নৈতিক দায়িত্ব। সাংবিধানিক স্বীকৃতি অডিট দলের নিকট সমস্ত দলিল দস্তাবেজ উপস্থাপনের জন্য সংশ্লিষ্ট প্রকল্প পরিচালক দায়বদ্ধ।

নিরীক্ষার সুপারিশঃ

- বাংলাদেশ সেনাবাহিনী ১৭ ইসিবি কর্তৃক বাস্তবায়িত প্যাকেজ নং ডব্লিউ-১ ও ডব্লিউ-২ এ ব্যয়িত ৭,৫১,১৪,৬১,৪০০/- টাকার সমস্ত রেকর্ডপত্র সংগ্রহ পূর্বক অডিট অধিদপ্তরে প্রেরণ করা আবশ্যিক।

**Appendix-VI: Development Project Approval Process with time line.**

Institution	Tasks	Provision of Days	Comment
Agency/De	DPP preparation	NM	

**Sponsoring Ministry**

<b>Planning Wing</b>	Conducts assessment of DPP/TPP and organize DPEC/DSPEC meeting with		Sponsoring Ministry/Div.
	Sends to Finance Division for approval of post & salary		
	Sends letter to Agency for DPP/TPP amendment/ revision, if recommended by FD	NM	
	Sends DPP (20 copies) to concerned Wing/Sector – Div of Planning Commission (PC)	NM	
	Get the DPP/TPP revised/amended as required by Wing/ Sector-Division and/or IMED and send revised DPP to PC	NM	
	Get the DPP/TPP revised/amended as required by Wing/ Sector-Division and/or IMED and send revised DPP to PC	25 days	

**Planning Commission**

<b>Wing/Sector-Division</b>	Prepare working paper for PEC/SPEC, with appropriate opinion and organize PEC meeting;		
	Prepare and Issue PEC/SPEC meeting minutes	NM	Chair: Member of Division
	Get approval of the Planning Minister/ Sate Minister for projects <b>up to Tk. 25 cr.</b>	10 days	PC Recommend.
	Send DPP/TPP to NEC, ECNEC & Coordination Cell for approval of project costing Tk.25Cr.+	10 days	
	Notify the concerned Ministry within 30 days, if the project cannot be placed in PEC meeting due to non- fulfillment of requirement	NM	DPP for placing in ECNEC.
	Provide secretarial services to PEC	30 days	
	Get IMED appraisal and comment for justification of cost as per decision of PEC/SPEC		

**Note: NM: Not Mentioned**

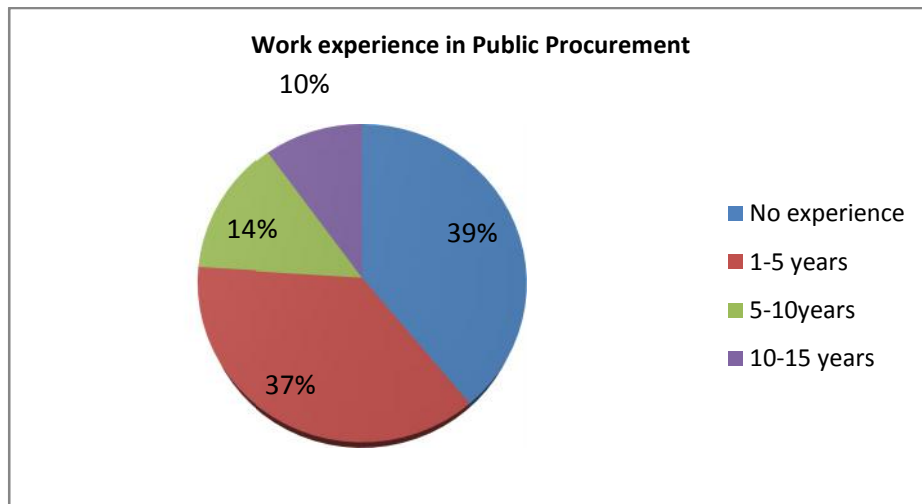
**Appendix-VII**

**Table: A1: Educational Qualification of Respondents**

SL	Qualification	Number	Percentage %
1.	Msc. Engineer	15	25
2.	Bsc. Engineer	20	30
3.	Diploma Engineer	10	16.67
4.	Master of Science	05	8.33
5.	Master of Arts	06	10
6.	Bachelor of Arts	05	8.33
<b>Total</b>		<b>60</b>	

Table A1, shows that Bsc. Engineers and Msc. Engineers are the main respondents of this questionnaire survey. About 90 % respondents are technically sound in their profession. Only eleven numbers are non technical but have knowledge about public procurement.

**Chart: A1: Working Experience in Public Procurement**

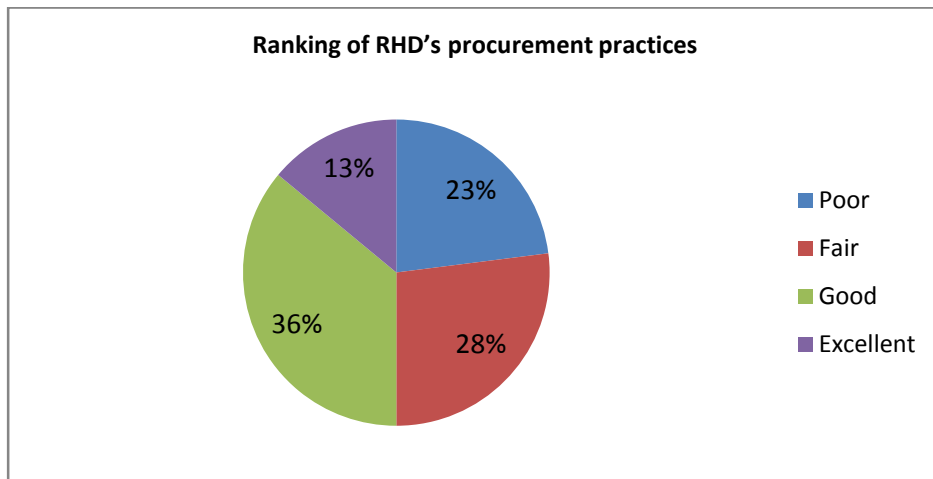


**Source: Survey Data**

The chart shows that 39% respondents have working experience in public procurement. 37 % have one to five years experience and 14 % have five to ten years experience. Only 10 % have more than ten years working experience in procurement.



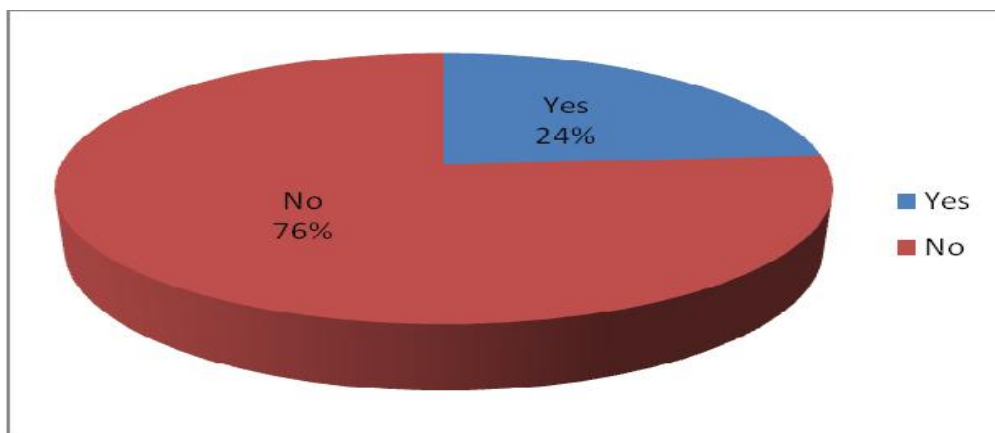
**Chart-A2: Ranking of RHD's Procurement Practices.**



**Source: Survey Data**

A good portion of respondents think that RRHD's procurement practices as per PPA-2006 and PPR-2008. But 23 % respondents think that the practice of transparency and accountability is poor as showed in the chart. Only 13 % think that it is up to the mark.

**Chart: A3: Transparency and Accountability Provision in PPA-2006 and PPR-2008**



**Source: Survey Data**

The chart shows that 76% respondents think that transparency and accountability provisions are available in PPA-2006 and PPR-2008 but practices are not effective in RHD's procurement practices and 24% think that the provisions are not sufficient for ensuring transparency and accountability.

Annexure-VIII

