

Government of the People Republic of Bangladesh
Office of the Project Director
Skills and Training Enhancement Project (STEP)
Directorate of Technical Education
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**Procurement Guidelines for
Polytechnic Institutes and Short Course Providers
receiving funds from STEP**

1. Introduction:

‘Public Procurement Act, 2006’ and ‘Public Procurement Rules, 2008’ have been formulated by the Government of Bangladesh to ensure transparency and accountability in public procurement and to ensure fairness and open competition among bidders intending to participate in the procurement process. Public procurement activities in Bangladesh have been regulated and carried out according to these rules and regulations. All procurements carried out under Skills and Training Enhancement Project (STEP) should also follow the aforesaid rules and regulations. Some differences may be found between the procedures mentioned in the PPA/PPR and guidelines of the development partners of the project (i.e. the World Bank). In such cases, the procedures mentioned in the World Bank guidelines should be followed.

This procurement guideline has been developed to assist the 30 Public & Private Polytechnic Institutes receiving implementation grants and 50 Public & Private Institutes providing Short Courses. Training has been provided to the Principals and the concern teachers of these institutes time to time and more will be provided in future as well. Yet the initiative of developing this guideline has been taken with concurrence of the development partners of the project to achieve efficiency and ensure transparency & accountability in procurement activities and to develop quick understanding of the Procuring Entities regarding the procedures to be followed and carried out. If any amendment or revision in this guideline becomes necessary, project will do the needful accordingly.

2. Acts and Guidelines related to the Procurement under the project:

- 2.1 Public Procurement Act, 2006 (PPA 2006) and Public Procurement Rules, 2008 (PPR 2008) with the following exceptions are applicable for procurements using National Competitive Bidding (NCB) and Request for Quotation (RFQ) methods.

Exceptions for NCB:

- i) Post bidding negotiations shall not be allowed with the lowest evaluated or any other bidder;
- ii) Bids should be submitted and opened in public in one location immediately after the deadline for submission;
- iii) Rebidding shall not be carried out, except with the Association's prior agreement;
- iv) Lottery in award of contracts shall not be allowed;
- v) Bidders' qualification / experience requirement shall be mandatory;
- vi) Bids shall not be invited on the basis of percentage above or below the estimated cost and contract award shall be based on the lowest evaluated bid price of compliant bid from eligible and qualified bidder; and
- vii) Single stage two envelope procurement system shall not be allowed.

2.2 World Bank Guidelines: Procurement under IBRD Loans and IDA Credits & Grants by World Bank Borrowers (January 2011).

2.3 Procurement should be carried out following all Government rules and regulations including Development Project Proposal (DPP), Project Implementation Manual (PIM), Performance Contract etc. All concerned are requested to collect PPA 2006, PPR 2008 and World Bank's Guidelines in this regard. PPA/PPR may be downloaded from the CPTU's website (www.cptu.gov.bd) and the World Bank's guidelines may be downloaded from the World bank's website (www.worldbank.org).

3. Implementation of Procurement Activities:

Procurement activities are generally carried out according to a well-organized planning. The entire process is divided into a series of steps from commencement to completion. The major steps include, but not limited to, the followings:

- Procurement Plan: Formulation, Approval and Revision (if required)
- Bid Document: Preparation, Approval, Publishing (IFT) and Selling
- Bid: Receiving, Opening (by TOC) and Evaluation (by TEC)
- Bid Evaluation Report: Preparation and Approval
- Awarding Process: Issuing NOA, Verification of Performance Security and Signing of Contract Agreement
- Contract Management
- Receiving and Acceptance of goods/works procured
- Payment to Supplier/Contractor
- Release of PS after Warranty/Defect-liability period

4. Formulation of Procurement Plan [Rule: 15-17]:

An approved 'Procurement Plan' is the first thing required to commence a procurement activity. For public procurement, this plan is usually prepared on financial year basis. The procurement plan of STEP is usually prepared on 18-month basis according to the World Bank's guideline. Planning for procurement should be carried out in 3 (three) distinct categories (i.e. Goods, Works and Services) based on the category-wise allocation described in the IDP (Institutional Development Proposal). Polytechnic Institutes and Short-course providers related to STEP would not require any procurement of 'Services'. The procurement plan has a 15-column tabular format. A comprehensive picture of the entire procurement activities would be required to fill the aforesaid columns of the procurement plan. Care should be given for filling up the columns so that the timelines mentioned in the plan could be met.

- 4.1 After formulation of the procurement plan, it is required to take approval from the World Bank through STEP.
- 4.2 The approved procurement plan could be revised/modified if and when necessary. Revised/modified procurement plan shall be approved by the HOPE. (It is advised to consult the STEP office before modifying the procurement plan).
- 4.3 The procurement plan must be consistent with the CIDP of the Institute. If an item needs to be included in the procurement plan that does not match with the CIDP, the corresponding portion of the CIDP should be updated accordingly with the approval of the project.

5. Procurement Methods:

- 5.1 The method of procurement must be mentioned in the procurement plan. For procurement carried out by the Polytechnic Institutes and Short-course providers under STEP, the common procurement methods are as follows:
 - OTM (Open Tendering Method)
 - RFQ (Request for Quotation)
 - Direct Contracting
- 5.2 Selection of Procurement Method depends on Threshold value, Lead time, Availability of suppliers, Restriction, Complexity of procurement etc.
- 5.3 Open Tendering Method (OTM) is the preferred method; use of any other method (if deemed necessary) will need proper justification.
- 5.4 Direct Contracting and Single Source Selection is subject to World Bank's prior review.

6. Open Tendering Method (OTM):

6.1 Preparation of Specifications [Rule-29]:

- 6.1.1 Specification should be generic in nature, expressed in terms of performance or output requirements.
- 6.1.2 Specification of restrictive nature, which may tend to limit competition, should be avoided.
- 6.1.3 No 'brand/model name' should be mentioned in the specification.
- 6.1.4 No 'country of origin' should be mentioned in the specification.
- 6.1.5 Specification may be described in clear terms on the basis of international standards (like ISO, IEC etc) or authorized national standards (like BSTI).
- 6.1.6 When the PE does not possess adequate technical expertise for preparing generalized technical specifications, it can make a reference to the specification of a particular branded product, but in such case shall add the words "or equivalent" to the specification.

6.2 Preparation of Bid/Tender Document:

- 6.2.1 Only Standard Bidding Document approved by IDA can be used for this purpose. IDA approved bidding document is slightly different from CPTU approved standard document. IDA approved bidding document is available in the STEP website (<http://www.step-dte.gov.bd>).
- 6.2.2 Invitation for Tender (IFT) should be prepared following the standard format provided by CPTU. Before publishing IFT and issuing Bid Document, it is advised to submit the document to STEP office for clearance.
- 6.2.3 All procurement above the threshold value and all International Competitive Bidding (ICB) are subject to WB's prior review. In this case "NOL (No Objection Letter)" on the bidding document and IFT will be required from the World Bank through STEP.

6.3 Invitation of Bid/Tender (IFT):

- 6.3.1 Invitation of Tender (IFT) should be published through 1(one) English and 1 (one) Bangla widely circulated daily news paper.
- 6.3.2 The IFT should also be published in the Institute website (if available)

6.3.3 The IFT should be sent to STEP so that it can be published in the STEP website.

6.3.4 **Addendum:** If required, addendum of the bid/tender document can be done taking the approval from the HOPE. In case of major change, it is advised to consult the Procurement Specialist of STEP before issuing the addendum. Addendum is an integral part of the tender document and need to be communicated to all the prospective bidders/tenderers.

6.4 Preparation and Submission of Bid/Tender:

6.4.1 The prospective bidders/tenderers should be allowed necessary time as per provision of PPR to prepare their bids/tenders.

6.4.2 **Pre-bid Meeting:** If necessary (normally in case of large and/or complex tender), a pre-bid meeting can be held to give clarification to the prospective bidders regarding the intended procurement. The minutes of the pre-bid meeting should be sent to all prospective bidders present in the meeting as well as bidders purchased the bid document.

6.4.3 Procuring Entity should arrange adequate security in order to facilitate smooth submission of bids/tenders at the scheduled place and time.

6.5 Tender Opening Committee (TOC) [Rule-7]:

6.5.1 Public opening of bids/tenders by the Tender Opening Committee (TOC) should be arranged by the Procuring Entity.

6.5.2 The proper format should be used by the TOC to list the necessary information at the time of bid/tender opening. This format is available at STEP website.

6.5.3 Tender Opening Committee (TOC) should be comprised of 3 (three) Members as follows:

- Chairperson
 - Member
 - Member-Secretary
- (of these three, one member should be from the TEC)

6.6 Tender Evaluation Committee (TEC) [Rule: 8-10]:

6.6.1 Tender Evaluation Committee (TEC) should be comprised of 5-7 Members as follows (Rule-8):

- Chairperson
- Member-Secretary
- Member (3-5 persons)

Two members of TEC should be taken from outside the controlling Ministry.

6.6.2 For low value procurement (threshold value to be followed as per the corresponding rule of PPR); TEC may be comprised of 3 (three) members- out of which, 1 (one) should be taken from the same Ministry/Department/Other PE under the same Department as outside member of the committee [Rule-8(2)].

6.6.3 TEC and TOC should be approved by the HOPE.

6.6.4 Honorarium of TOC/TEC/TSC members should be as per Rule-8(15) of PPR. The necessary budgetary provisions for payment of such honoraria shall be made in Revenue or Development Budget.

6.6.5 Technical Sub-committee (TSC) may be formed by the Procuring Entity (PE), if TEC requests for the formation of such TSC to assist TEC in evaluating the technical aspects of the tender only. Technical Sub Committee (TSC) may be formed as per Rule-8(14).

6.6.6 The TEC will evaluate the bid generally within 3 weeks of bid opening.

6.6.7 To help avoiding any conflict of interest and maintain transparency in process, it is advised to select different persons as the Chairperson of TOC and Member-Secretary of TEC.

6.7 Bid Evaluation Report (BER) and Approval:

6.7.1 The sample 'Bid Evaluation Report (BER)' uploaded in the STEP website should be followed, which is prepared based on the World Bank's Standard Bid Evaluation Form, April 1996.

6.7.2 The WB's Guidelines on Bid Evaluation is also uploaded in the STEP website.

- 6.7.3 In case of any difficulty in conducting bid evaluation and preparing Bid Evaluation Report, all concerned are advised to consult the STEP Procurement Specialist.
- 6.7.4 Bid Evaluation Report should be approved by the approving authority. All Institutes are advised to send the BER with all necessary documents to STEP office for approval.
- 6.7.5 In case of procurement under prior review, the BER will require NOL (No Objection Letter) from the World Bank through STEP.
- 6.7.6 The bid security of the non-responsive bidders should be returned to them as per Rule-26 of PPR.
- 6.7.7 In case of re-bidding, a rebidding form provided in the STEP website needs to be filled in and forwarded to STEP PMU. Subsequently STEP PMU will arrange necessary concurrence from WB regarding this.

6.8 Notification of Award (NOA) [Rule-37]:

- 6.8.1 Notification of Award should be issued within the bid validity period.
- 6.8.2 If it is not possible to complete the awarding process within the bid validity period, the PE on approval of the HOPE will formally request all the bidders to extend their bid validity period [Rule-21] and Bank Guarantee period [Rule-23] accordingly. This request letter shall be issued at least 10 days before the expiration of the bid validity period. If it is required to take extension more than 28 days, a NOL (No Objection Letter) from the WB is required.
- 6.8.3 A copy of the NOA should be sent to STEP office immediately after issuance.
- 6.8.4 Acceptance of the NOA and Performance Security from the awarded bidder should be received from the bidder within the time limit mentioned in the PPR.
- 6.8.5 The Performance Security submitted by the awarded bidder must be authenticated from the issuing bank in written format [Rule-24].

6.9 Signing of Contract Agreement and others:

- 6.9.1 Contract Agreement should be signed with the successful bidder within the time limit and as per Rule mentioned in the PPR.

- 6.9.2 A copy of the final contract agreement should be sent to STEP office.
- 6.9.3 The bid security of the responsive bidders should be returned to them as per Rule-26 of PPR.
- 6.9.4 Contract management should be carried out as per provision of PPR.
- 6.9.5 Goods and works should be received by a committee after adequate inspection and verification against the desired specification and standard mentioned in the bid document. Acceptance may be provided after going through such verification process.
- 6.9.6 If goods could not be delivered on time or works could not be completed within stipulated time frame mentioned in the bid document, PE may allow a 'time extension' with prior approval from the HOPE/STEP as per Rules mentioned in the PPR.
- 6.9.7 Payment should be made to the supplier/contractor as per 'payment schedule' mentioned in the contract agreement and as per Rules mentioned in the PPR/Bank Guidelines.

7. Request for Quotations (RFQ):

7.1 General Information:

- 7.1.1 This method is applicable for small value off-the-shelf goods, standard readily available goods, small works and physical services.
- 7.1.2 No public advertisement is required in this method.
- 7.1.3 No tender security and performance security is required in this method.

7.2 Threshold Values for RFQ:

- Goods: Tk. 5.00 Lac for each case, but not exceeding Tk. 20.00 Lac each year
 - Works: Tk. 10.00 Lac for each case, but not exceeding Tk. 40.00 Lac each year
- (Schedule-II to be consulted for any revision in this regard)

7.3 Steps to be followed:

- 7.3.1 RFQ document should be prepared following CPTU published standard format. (The formats are available at STEP/CPTU website).
- 7.3.2 Well known potential suppliers/contractors may be requested to submit quotations, RFQ document should be publish in the Institute and adjacent notice boards, Institute website and STEP website for wider participation.
- 7.3.3 At least 3 responsive quotations should be received.
- 7.3.4 No public opening and therefore no Tender Opening Committee (TOC) is required.
- 7.3.5 Evaluation Committee comprising at least 3 members (as per Rule-8) will open and evaluate the quotations immediately after the submission deadline mentioned in the RFQ document.
- 7.3.6 The sample Quotation Evaluation format uploaded in the STEP website should be followed.
- 7.3.7 The evaluation report should be sent to STEP office for approval.

- 7.3.8 For goods, Purchase Order (PO) should be issued.
- 7.3.9 For works, Contract should be signed.
- 7.3.10 Goods and works should be received after adequate inspection and verification against the desired specification and standard mentioned in the RFQ document.
- 7.3.11 Payment should be made to the supplier/contractor as per terms and conditions mentioned in the RFQ document and as per Rules mentioned in the PPR/Bank Guidelines.

8. Record Keeping and File Management [Rule: 43-44]:

- 8.1 The Procuring Entities under STEP shall maintain records and documents regarding their procurement activities from the beginning of procurement planning up to the full completion of contractual obligations as per Rule 43-44 of PPR.
- 8.2 Individual files should be maintained for each package to keep the aforesaid records and documents.
- 8.3 A checklist containing the information of all major 'milestones' of the procurement and their corresponding 'content page' references should also be kept in each file mentioned above.
- 8.4 All files, records and documents regarding procurement should be made available for post procurement review and audit activities by the Procuring Entity.

9. Guideline for Clearing/Approving Bids/Quotations

- 9.1 Documents required to be sent to STEP office for clearing Bid/Quotation Documents:
- Bid/Quotation document (2 copies)
 - Copy of the relevant page from the approved Procurement Plan corresponding to the bid/quotation document
 - Copy of the relevant page(s) from the approved CIDP corresponding to the bid/quotation document
 - Copy of sample specifications collected from the market that has been used to prepare the specification for the bid/quotation document

9.2 Documents required to be sent to STEP office for approving Bid/Quotation Evaluation Report:

- Bid/Quotation Evaluation Report [in prescribed format of WB] (2 copies)
- Bids/Quotations submitted by the bidders [complete sets]

10. Conclusion

As mentioned earlier, this procurement guideline has been developed to assist the 30 Public & Private Polytechnic Institutes receiving implementation grants and 50 Public & Private Institutes providing Short Courses to carry out their procurement activities in light of PPR 2008 and World Bank Guidelines. The observations of the World Bank have also been incorporated in this guideline. All intended users (i.e. Polytechnic Institutes and Short course providers receiving implementation grants from STEP) are requested to use this document as an assisting tool for carrying out their respective procurement activities, but never as the substitute of PPR/Bank Guideline itself. It's worth mentioning that if any amendment or revision in this guideline becomes necessary, project will do the needful accordingly.
