

Open Tender Method for procurement – New era of UP's Public Finance Management

The most recent and advanced level knowledge for the local governments have evolved in the arena of Public Finance Management. The implementation of the Public Procurement Rules (PPR) was not at all practiced by the UPs because of their lack of knowledge, awareness and the complication of the procedures as they have never been capacitated. But in order for them to get started with these important mandates in ensuring service provisions with skills and transparency it is now demand of time to get used to it. Sharique in collaboration with Institute of Public Finance of the Ministry of Finance initiated to build capacity and awareness of the local representatives. Within a short span of time the UPs have got hold of knowledge and awareness which enabled and inspired them or act like a full-fledged local government institute in regards to its public finance management.

Recently, Sharique has initiated small grants to the UPs that have developed project and submitted for grants. A total of 199 proposals have been received and out of these, a total of 86 proposals have been awarded with Sharique grants. Rest of the proposals are being reviewed further and gradually will be awarded in the coming days. The success already is visible in the Sharique intervention area where a total of 48 UPs initiated Open Tender Method for procurement and implement the projects following the PPR. A total of 26 Work orders have already been issued by the UPs to procure goods and services for the project implementation.

SL	Type of Project	Proposal Received by 2015	Funded in 2015
1	Agriculture	1	
2	Communication	2	
3	Education	47	20
4	Health	3	
5	IGA	55	
6	Sanitation	12	4
7	Water	70	58
8	Watson	9	4
Total:		199	86

A Case: Basudebpur Union is 8 Kilometers away from Godagari Upazila and 36 Kilometers from Rajshahi divisional city. The most of the area of this Union is low land. UP has been implementing different kind of projects funded by various government and non-government organizations. In order for the UPs to implement these projects, they only used to procure through the four methods of procurement (such as direct purchase, community purchase, RFQ and limited tender request) out of seven listed in the Public Procurement Act 2008. In the past UP never followed and practiced Open Tender Method (OTM). Open Tender Method applies when a procurement amount crosses the limit of BDT 5,00,000 which was never exercised due to its complicated procedure as they perceived. To avoid this, the practice was to break the bigger project into smaller pieces of work. The usual practice also included to issue work order through Chairman or the president of the Project Implementation Committee which was against the law according to the Public Procurement Rules.

District	OTM	Tender Evaluation	Work Order
Rajshahi	27	21	15
Chapai	0	0	0
Sunamgonj	21	19	11
Khulna	0	0	0
Total:	48	40	26

In October 2015, Sharique organised two day long training on Public Procurement Act where detailed discussions on the methods of public procurement were made. Following this training, Basudebpur Union initiated a project for implementing water drainage in different Wards by building drain with the RCC pipes and in doing that, Union Parishad followed for the first time of

its history the Open Tender Method of procuring goods which amounts to BDT 8,80,000. The bidding process included evaluation and opening where representatives from the tender opening committee, evaluation committee, bidders and community etc. that ensures transparency and inclusion of the procurement process. The training was an encouraging learning for the UP that inspired them to get rid of all the process limitations. The UP finally set a milestone by issuing the purchase order signed by the UP secretary. The UP now believes that by following the Open Tender Method for the projects valued over BDT 500,000, it is possible for the UPs to ensure transparency and accountability as required by the Public procurement Act. This also helps the representatives to ensure the quality of the project implementation.

The UP bodies have considered this effort for their future procurement practice irrespective of the size of project in terms of financial value and the nature of the work.