



e-Government Procurement in Bangladesh: A Trend Analysis of Competitiveness (2012-2023)

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Preface

Transparency International Bangladesh (TIB) works with a vision of Bangladesh where government affairs, business, politics and daily lives of the people will be free from corruption and all powers exercised at all levels will be held to account. To this end TIB conducts a series of activities that include research and knowledge based advocacy on issues and sectors of public interest, outreach, communication and capacity building of stakeholders and a robust programme of civic engagement especially youth engagement all across the country aimed at strengthening the demand side of governance and anti-corruption.

Public procurement, one of the most vulnerable sectors in terms of corruption worldwide as well as Bangladesh, is an area of close interest in research and advocacy agenda of TIB. A number of diagnostic research conducted by TIB during 2017-2019 in selected public sectors and institutions showed corruption in public procurement to cost 8.5-27% of the relevant budget. In the meantime, as part of digitization of all public operations the Government of Bangladesh introduced Electronic Government Procurement (E-GP) system in June 2011. The main objective of E-GP is to ensure transparency and efficiency in public procurement by facilitating open and fair completion to ensure lowest price and highest quality, and thereby reduce corruption. A study on E-GP released by TIB in September 2020 showed notable positive outcome including significant easing of the procurement process. However, E-GP has not succeeded to deliver the expected level of positive impact in terms of corruption control and quality of the procured work. Thanks to E-GP, Bangladesh's procurement system has transited from manual to digital, but a section of stakeholders have found other ways of corruption like collusive bidding and illegal selling or sub-contracting of work order.

Against this backdrop, in this report, an attempt has been made to specifically assess the extent of competitiveness facilitated by e-GP based on extensive analysis of open-source data collected from the publicly accessible e-GP portal of the Government for the period from 2012 to February, 2023. The report shows an overall increase in the number of bids, though the open tendering method (OTM) is on the decline, making OTM less competitive. The limited tender method (LTM) has become more popular than OTM among contractors as well as contracting authorities. Contracts being provided under single bids have substantially increased, and in some cases, contractors have acquired one hundred

percent of contracts with single bids. On the other hand, overall 5 percent of bidders have been found to control 30 percent of the contracts.

These indicate increasing trends towards market capture compromising the main objective of the electronic procurement system, which is to ensure transparency and fair competition and thereby prevent and reduce the risks of corruption in the e-procurement system. Furthermore, there are indications of political influence, syndication and collusive bidding among stakeholders. The report suggests that these corruption risks and practices can be prevented and controlled if the procurement data available with the authorities are tracked and analyzed on a regular basis and appropriate preventive and accountability actions are taken.

The study was conducted by Mohammad Tauhidul Islam, K.M. Rafiqul Alam, and Rifat Rahman of the Outreach and Communication Division of TIB. I commend their efforts for successfully conducting this first such study by TIB based on open source data. I am grateful to Prof Sumaiya Khair, Adviser, Executive Management, for reviewing the draft report. I also appreciate the valuable support and feedback of Sheikh Manjur-E Alam, Director, Outreach & Communication, Muhammad Badiuzzaman, Director Research and Policy and other relevant colleagues.

TIB will welcome any comments and suggestions that may be helpful in carrying forward our mission.

Iftekharuzzaman
Executive Director

e-Government Procurement in Bangladesh: A Trend Analysis of Competitiveness (2012-2023)

1. Introduction

Public procurement plays a pivotal role in the operational dynamics of governmental bodies worldwide. The term "public procurement" pertains to the acquisition, undertaken by governmental bodies and entities under state ownership, of goods, services, and construction endeavours utilising public funds.¹ Countries around the world spend an average of 13% to 20% of GDP on public procurement² and the cumulative expenditure committed to public procurement activities worldwide amounts to approximately 11 trillion USD.³ The Open Contracting Partnership and Spend Network estimated that in 2018, the total value of public procurement on a global scale might have been higher, hitting a whopping 13 trillion US dollars.⁴ Moreover, the size of government purchases is always underestimated or incorrect, as smaller or routine purchases are not included in the valuations, and defense purchases are left out of the purview due to security reasons.⁵

Despite the calculation challenge, it is well-established that governments are the largest & influential buyers in their own economy as well as in the global arena. So, governments are expected to carry out public procurement efficiently and with high integrity to ensure quality of service delivery and to safeguard public interest.⁶ In

¹ <https://www.oecd.org/gov/public-procurement/>, Bangladesh e- Government Procurement Guideline https://www.eprocure.gov.bd/help/guidelines/eGP_Guidelines.pdf

² Global Public Procurement Open Competition Index, available at; https://www.govtransparency.eu/wp-content/uploads/2021/07/Adam_H_Sanchez_Fazekas_Global-Public-Procurement-Open-Competition-Index-1.pdf; <https://www.worldbank.org/en/news/feature/2020/03/23/global-public-procurement-database-share-compareimprove#:~:text=Overall%2C%20public%20procurement%20represents%20on,be%20lost%20due%20to%20corruption.>

³ Bosio et. al 2020, PUBLIC PROCUREMENT IN LAW AND PRACTICE (NBER WORKING PAPER SERIES) available at; https://www.nber.org/system/files/working_papers/w27188/w27188.pdf

⁴ OCP, How governments spend: Opening up the value of global public procurement, available at; <https://www.open-contracting.org/wp-content/uploads/2020/08/OCP2020-Global-Public-Procurement-Spend.pdf>

⁵ Hafsa et. al; Estimating the True Size of Public Procurement to Assess Sustainability Impact available at; Sustainability 2021, 13(3), 1448; <https://doi.org/10.3390/su13031448>

⁶ <https://www.oecd.org/gov/public-procurement/>

addition, sustainable procurement practices are a priority target (target 12.7) of the SDGs to be achieved by 2030.

Owing to its considerable scale and intricate nature, public procurement remains susceptible to corruption. According to Transparency International, 10%–15% of public procurement spending was lost due to corruption.⁷ Bosio's assessment extends this concern, estimating that 8% to 25% of the public procurement value goes to bribes.⁸ When one considers the aggregate impact of inefficiencies, encompassing elements like corruption and incompetency, the figures are quite revealing. Waste of infrastructure funds in advanced economies is 15%, 34% in emerging market economies and a staggering 53% in low-income developing countries.⁹ Employing the most cautious estimation drawn from the current body of empirical research, a noteworthy 8% of the total value attributed to procurement contracts, which translates to an approximate sum of \$880 billion, falls into the clutches of corruption.¹⁰

Public procurement in Bangladesh is not immune from corruption. According to the World Bank (WB) Enterprise Survey 2022, 41.8% of competing firms are expected to give gifts to secure government contracts and the gift value is equivalent to 2% of the contract value.¹¹ If this rate is considered against the annual value of public procurement in Bangladesh, we find that a huge amount of money is used for bribes to secure government contracts. Bangladesh's spending of about \$25 billion on public procurement annually¹², the total loss only on account of gift value is a staggering amount of \$500 million. Procurement corruption does not just mean paying bribes; it also involves issues of competitive cost ensuring best quality, implementation efficiency and timeliness, quality, durability and appropriateness etc. of the goods, materials, and services that governments buy and projects they implement. Several relevant studies conducted by Transparency International

⁷ Transparency International Handbook for Curbing Corruption in Public Procurement 2006.

⁸ <https://blogs.worldbank.org/developmenttalk/reducing-corruption-public-procurement>

⁹ G. Schwartz, M. Fouad, T. Hansen, G. Verdier, 'Well Spent, How Strong Infrastructure Governance Can End Waste in Public Investment' available at; <https://doi.org/10.5089/9781513511818.071>

¹⁰ Ibid; Bosio.

¹¹ <https://www.enterprisesurveys.org/en/data/exploreeconomies/2022/bangladesh#2>

¹² Draft Sustainable Public Procurement (SPP) Policy of Bangladesh, February 2023.

Bangladesh (TIB) during 2007-20 found the estimated loss due to corruption to range from 8.5% to as much as 27% of the relevant procurement budget.¹³

To mitigate the risk of corruption and ensure fair competition and transparency in public procurement, Bangladesh introduced an electronic government procurement (e-GP) system in June 2011 with support from the World Bank.¹⁴ Prior to that procurement-related corruption and various other forms of irregularities including violent means of preventing competitors from participating in the procurement process made frequent news. Empirical research shows that the e-GP system has helped speed up the process of tender bidding and save costs for both the procuring entities and the contractors¹⁵. However, according to a study by TIB on e-procurement (2020), which also assessed E-GP as a significant positive step in transforming procurement from the manual to digital system, the new system in Bangladesh is yet to cover the full range of public procurement, nor has it been able to make significant impact in terms of reduction of corruption and political influence, collusive bidding by syndication.¹⁶ The study identified persistent irregularities and corrupt practices despite the digitalisation efforts. These issues included the influence of local political leaders in controlling and allocating public works to specific contractors, corruption within procurement offices, and collusion among contractors.¹⁷ It is in this context, TIB undertook the present initiative to explore the extent of competition and Integrity risks in e-GP with a particular focus on competitiveness and single bidding.

2. e-GP in Bangladesh

E-GP encompasses the entirety of the Government Procurement Process Cycle (GPPC), which ranges from needs assessment, competition and award, to payment and contract management, as well as any subsequent monitoring or auditing, encompassing the procurement of goods, execution of works, and engagement of

¹³ https://www.ti-bangladesh.org/images/2020/report/EGP/E-GP_Full_Report.pdf

¹⁴ Assessment of Bangladesh Public Procurement System (2020); available at <https://openknowledge.worldbank.org/server/api/core/bitstreams/141e8d31-5961-5e4d-aca6-ab43d79dba96/content>

¹⁵ Ibid

¹⁶ TIB, Governance in Public Procurement: Effectiveness of E-GP in Bangladesh (2020) available at; <https://www.ti-bangladesh.org/articles/research/6137>

¹⁷ Ibid

consultancy services.¹⁸ The primary objective of e-GP implementation is to enhance the efficiency and effectiveness of procurement management within the governmental framework.

E-GP operates under the legal framework provided by the Public Procurement Act 2006 (and subsequent amendments) and the Public Procurement Rules 2008 (and subsequent amendments). This framework includes a central policy unit, standard procurement documents, and a functional complaint system with an independent appeal mechanism. The Central Procurement Technical Unit (CPTU) serves as the main policy unit, offering an accessible website (e-GP portal) with comprehensive procurement-related information.¹⁹ This portal can be accessed through www.eprocure.gov.bd.²⁰

The e-GP system was rolled out in phases.²¹ In the initial phase, the **e-tendering component**²² was launched on a trial basis within the Central Procurement Technical Unit (CPTU) and was extended to 16 other Procuring Entities (PEs) affiliated with four sectoral agencies: Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Roads and Highways Department (RHD), and Rural Electrification Board (REB). Subsequently, this system has progressively expanded to encompass all government PEs at the district and sub-district levels. As of August 2023, **11,480** PE offices of 47 ministries, 27 division, and 1,438 organisations and **107,650** tenderers / Consultants, Individual Consultants have registered in the e-GP system.²³

In the second phase, the e-Contract Management System (e-CMS) was conceptualised, developed, and subsequently rolled out. The eCMS serves as a comprehensive electronic platform for various contract management activities, including work plan preparation and submission, milestone definition, progress tracking and monitoring, report generation, quality assessments, running bill creation, vendor evaluations, and the issuance of completion certificates. Before

¹⁸ *ibid*, Background and Scope of Bangladesh e- Government Procurement Guideline

¹⁹ <https://cptu.gov.bd/about-cptu/public-procurement-reform.html>

²⁰ <https://www.cptu.gov.bd/e-gp.html>

²¹ <https://www.eprocure.gov.bd/Index.jsp>

²² Covering complete eTendering processes such as centralized user registration, preparation of Annual Procurement Plan (APP), preparation of Bid\Tender document, preparation of Bids/Tenders, invitation of Tenders, sale of Tender Documents (eTD), conducting online pre-bid meeting, collection of bid\Tender security, on-line Bid\Tender submission, Bid opening & evaluation, negotiations (where applicable), and contract awards.

²³ <https://www.eprocure.gov.bd/RegistrationDetails.jsp>

that, the e-GP system only facilitated procurement activities until the contract-signing phase. It is expected that an electronic audit (e-Audit) through which the entire process from procurement planning to completion can be audited in a paperless manner, will also be incorporated into the e-GP system.

If we look at the number of e-tender advertisements and publications through the e-GP portal, it is huge. More than eight hundred thousand (exactly 870134 as of 04/09/2023) e-tenders have been published since 2012.²⁴ Besides, offline tenders are also published in the e-GP portal. The Ministry of Planning claimed that 100 per cent of public procurement tender advertisements were published through e-GP.²⁵ Though, it digitises the complete contracting process, from advertising to contract award, covering buyer-bidder communication, bidder registration, bid submission, and evaluation, eliminating the need for a paper-based record trail.

However, the system does not yet process all segments of the tender, like Direct procurement (DPM) and International Competitive Bidding (ICB). So, many tenders are still being processed outside of the e-GP system.

3. e-Procurement & Competition

When handling public funds, public entities (PEs) must consistently uphold three core principles: Economy and Efficiency, Cost-effectiveness, and Accountability. These principles are essential for ensuring Value for Money (VFM), which can be accomplished only by promoting healthy competition in procurement procedures.²⁶ Open, fair and unrestricted competition is pivotal in prioritising the greater good of the public, guaranteeing the prudent and effective utilisation of public funds. Section 13 of the Public Procurement ACT 2006, includes competition as one of the guiding principles of public procurement in Bangladesh.²⁷ It states that –

The procuring entity shall, to ensure competition in procurement on the basis of impartial and objective terms, provide all necessary information to all

²⁴ <https://www.eprocure.gov.bd/resources/common/StdTenderSearch.jsp?h=t>

²⁵ <https://www.cptu.gov.bd/media-communication/speeches.html>

²⁶ GTI, I Adam, A H Sanchez, M Fazekas, Global Public Procurement Open Competition Index https://www.govtransparency.eu/wp-content/uploads/2021/07/Adam_H_Sanchez_Fazekas_Global-Public-Procurement-Open-Competition-Index-1.pdf

²⁷ The Public Procurement Act 2006 (English version)

prospective applicants, tenderers or consultants required for the preparation of the application, tender, quotation or proposal.

13(2) The criteria for qualifications assessment and evaluation shall be clearly stated in the tender or proposal document and it shall be ensured that the applicant, tenderer or consultant is allowed at least minimum time, in consistent with the procurement method to respond properly.

This underscores the critical importance of effective dissemination of procurement information to foster competition. Numerous research on public procurement have consistently revealed the pivotal role played by open competition in enhancing value for money. A highly cited study by Srabana Gupta (2002) underscored the significance of having 6 to 8 bidders for optimal competitiveness in highway infrastructure construction, resulting in substantial cost savings of 12% to 14%.²⁸ Similarly, Limi (2006) identified that even a 1% increase in the number of bidders translates to a commendable 0.2% reduction in prices.²⁹ This implies that strengthening competition in procurement bidding lowers contract prices and potentially mitigates the heavy indebtedness of developing countries.

Open competition also serves as a deterrent against collusion and corruption in public procurement by enhancing transparency. A study conducted by Bauhr et al. (2020), which analysed an extensive dataset of 3.5 million procurement records across Europe from 2006 to 2015, revealed compelling results.³⁰ It found that a mere 2.5 to 6% reduction in single bidding could lead to annual savings of 2.5 to 10.9 billion euros. This highlights the profound impact of promoting transparency through open competition in significantly mitigating corruption risks.

The introduction of electronic procurement helps to improve competition in two distinct ways.³¹ As the process is more open, it boosts transparency and curtails the scope for corrupt practices among public officials, thus facilitating a fair competitive environment. Secondly, it simplifies the process for companies to access information

²⁸ Gupta, S. Competition and collusion in a government procurement auction market. *Atlantic Economic Journal* 30, 13–25 (2002). <https://doi.org/10.1007/BF02299143>

²⁹ Limi, A. Auction Reforms for Effective Official Development Assistance. *Rev Ind Organ* 28, 109–128 (2006). <https://doi.org/10.1007/s11151-006-0012-x>

³⁰ M Bauhr, A Czibik, M Fazekas, J Licht, (2020) Lights on the Shadows of Public Procurement Transparency as an antidote to corruption available at; https://www.govtransparency.eu/wp-content/uploads/2020/01/Bauhr-et-al_lights-on-the-shadows_accepted_2019.pdf

³¹ Ibid, Adam et al (2021)

and engage in public tendering, ultimately promoting a more competitive marketplace. Empirical research on e-procurement also supports those arguments. Although research by Faupel et al. (2016) on projects in India and Indonesia does not indicate a reduction in prices through e-procurement, it does uncover a positive impact on quality and time in project implementation.³² In the case of India, where quality can be directly observed, e-procurement helped to enhance the quality of the road. Similarly, in Indonesia, it significantly reduced project delays. Additionally, when non-local contractors get more chances to winning contracts, it improves the competition.

A recent impact evaluation of the implementation of a comprehensive e-procurement system in Bangladesh has unveiled positive outcomes in terms of open competition.³³ It found that the introduction of the e-procurement system has notably enhanced the accessibility and fairness of public tenders in Bangladesh. Specifically, it led to an average increase of 1-2 additional bidders per tender. Furthermore, the probability of a single bidder decreased by 7.8% to 13.5%. It also enhanced the chances of winning by a non- local contractor. e-procurement enhances administrative efficiency, as the total time for processing a tender—from the public call for tenders to contract signature—drops substantially. The study also reveals that such improved competition drives downprices by 7-8%. If e-procurement were to cover 100 percent of public procurement spending, the government could save up to USD 1.76 billion per year. Similar results were found in Argentina. Blum et al. (2020) were however cautious about its positive impact on rent-seeking and corruption.³⁴ In this context, a study conducted by Transparency International Bangladesh (TIB) on the effectiveness of e-GP (2020) provides interesting findings.³⁵ The study observes that political influence, collusion, and syndication play a central role in obtaining work orders, although the procurement process has been simplified. The effect of e-GP on the reduction of corruption and improved quality of work is not discernible on account of the sale of the work, issuance of illegal subcontracts, and the distribution of work through negotiation. In

³² Lewis-Faupel, Sean, Yusuf Neggars, Benjamin A. Olken, and Rohini Pande. 2016. "Can Electronic Procurement Improve Infrastructure Provision? Evidence from Public Works in India and Indonesia." *American Economic Journal: Economic Policy*, 8 (3): 258-83. DOI: 10.1257/pol.20140258

³³ Jürgen René Blum , Arkopal Datta, Mihály Fazekas , Sushmita Samaddar, Ishtiak Siddique, *Introducing E-Procurement in Bangladesh: The Promise of Efficiency and Openness*, Policy Research Working Paper 10390

³⁴ Ibid, Blum et al. (2020)

³⁵ Ibid, TIB(2020)

other words, some stakeholders have found new ways of evading the system and engaging in new avenues of corruption.

The procurement system in Bangladesh has two significant weaknesses pertaining to the exploration of prices. Under the Open Tendering Method (OTM) for works, there exists a price ceiling and floor of $\pm 10\%$. This implies that bids exceeding a 10% deviation from the estimated cost, whether below or above, are rejected by the Procuring Entity (PE). This rule was introduced by the government in December 2016. A similar price cap ($\pm 5\%$) is used in the Limited Tendering Method (LTM) for procurement of national works, where the estimated price is disclosed. A lottery is carried out to determine the winner in the case of tied bids. So optimum price discovery is limited, which according to the World Bank is a market distortion.³⁶ Moreover, bidders seek unfair practices to collect cost estimations, which breeds another form of corruption.

4. Research Objectives and Method

In view of the above context, this study analyzes the open source data on e-GP-based public procurement in Bangladesh for the period 2012-2023 in order to:

1. examine the state of competition dynamics and single bidding in practice under e-procurement in Bangladesh
2. assess the extent of market concentration; and
3. recommend measures to upscale competition in public procurement through e-GP.

Methodology: Big Data analytical approach

E-procurement platforms have revolutionised the data landscape by making administrative records widely accessible through structured databases. As a result, public procurement has evolved into a data-rich domain within public expenditure.³⁷ This transformation has fundamentally reshaped our capacity to comprehend and oversee public procurement systems, fundamentally altering how we gauge

³⁶ WB (2020), Assessment of Bangladesh Public Procurement System.

³⁷ WB(2022), Using Data Analytics in Public Procurement Operational Options and a Guiding Framework available at; <https://openknowledge.worldbank.org/entities/publication/81fc58a7-fccb-5b03-9980-bd4eb8027101>

performance, including assessing fraud and corruption risks.³⁸ We have adopted the big data analytical approach for this study, which is developed by Mihaly Fazekas.³⁹ By using this approach, we have analysed the data based on well-established competition and corruption risk indicators like the average number of bidders, supplier market share, prevalence of non-local suppliers and single bidding.⁴⁰ We have developed an interactive dashboard which gives an overview of the e-procurement system and assesses market dynamics and trends. Simultaneously, it enables us to pinpoint inefficiencies and integrity deficiencies within the system.

Harnessing e-procurement Data

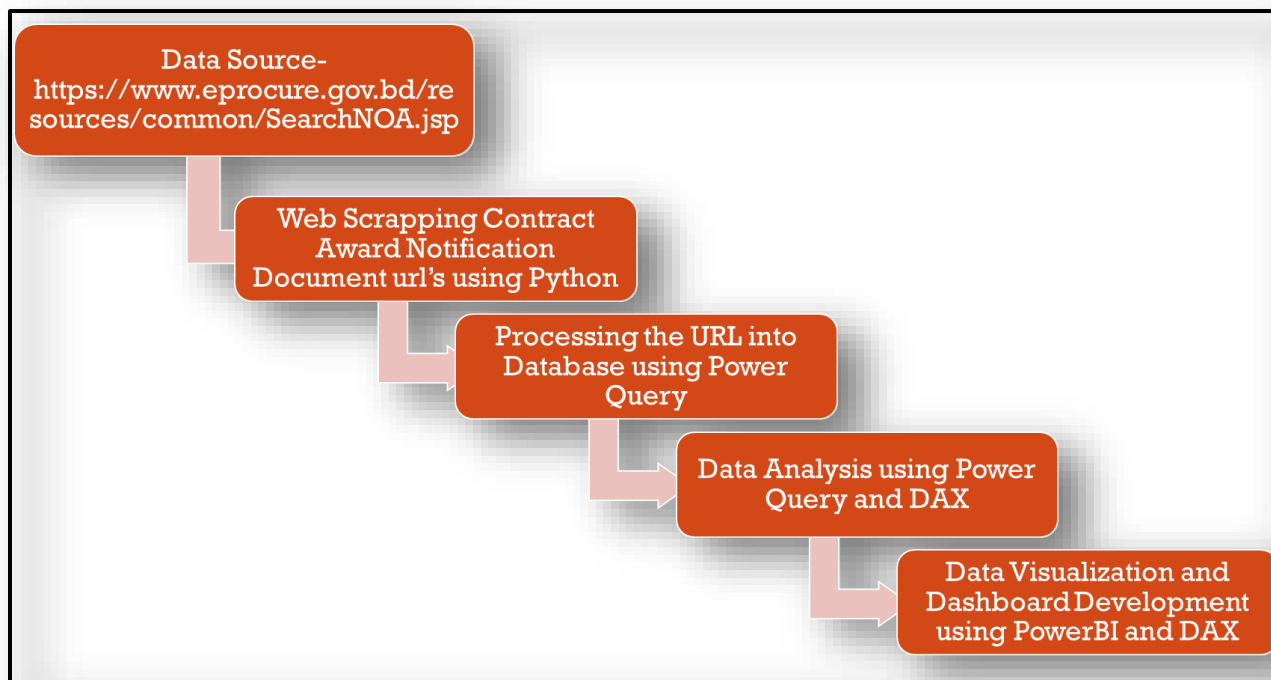
The process of harnessing the data involved a systematic series of steps designed to transform raw information into valuable insights. Initially, data was sourced from the website <https://www.eprocure.gov.bd/resources/common/SearchNOA.jsp>, where e-Contract Award Notification Documents are accessible. The Python software was then employed for web scraping to extract the URLs of these documents. Subsequently, Power Query came into play to process and structure these data, to facilitate further analysis. Integration into a database was achieved through Power Query, facilitating efficient management and organisation. In the data analysis stage, the Power Query and DAX (Data Analysis Expressions) helped insights into the invisible patterns and implications. These were then translated into actionable visualisations using PowerBI, enabling the creation of interactive dashboards that helped explore and understand the data in a meaningful and user-friendly manner to serve the purpose of trend analysis.

³⁸ Ibid, WB(2022)

³⁹ Fazekas, M. (Academic). (2019). Using big data to measure formidable concepts: the case of government contracts data & corruption measurement [Video]. Sage Research Methods. <https://doi.org/10.4135/9781526498076>

⁴⁰ ProACT(Procurement Anticorruption and Transparency platform) available at; <https://www.procurementintegrity.org/about>

Stages of Data Processing



5. Findings of the Study

a) Distribution by Ministries/Divisions:

In this process, we have collected a massive volume of data, precisely 455,633 e-contract records, dating from January 2012 to February 2023. Each contract has at least 30 variables (list of variables annexed). These showed that BDT 400,410 crore were spent by 5,830 different government departments from 64 Ministries or Divisions. They used this money to buy goods and services through the e-GP system. A total of 41,918 contractors actively took part in making these procurement processes happen. The highest value for a single contract within this dataset is BDT 655.50 crore. This implies that according to the open sources data accessed in the above process public procurements of higher individual value than this amount (BDT 655.5 crore) that took place during the period were not in the scope of e-GP, and hence not covered by this study. In terms of the number of works and contract value, the Local Government Division has emerged as the leading procuring entity during

this period. As Table 1 shows the Local Government Division's share of the total contract value for the period was 41 percent that involved 198,604 works implemented by 27,260 contractors. The table also shows the top ten ministries/divisions that spent nearly 97% of the total e-contract value and approximately 92% of the total number of works.

Table-1: Top 10 Procuring Ministries/ Divisions (2012-2023)

Ministry/Division:	Total Contract Value (in Crore Taka)	Number of Works	Number of Contractors Worked
Local Government Division	163,188 (41%)*	198,604	27,260
Road Transport and Highways Division	65,288 (17%)	29,833	3,054
Ministry of Water Resources	34,195 (9%)	16,792	3,549
Ministry of Housing and Public Works	34,051 (9%)	75,842	7,122
Ministry of Education	30,762 (8%)	34,939	8,128
Power Division	16,108 (4%)	28,550	3,231
Secondary and Higher Education Division	8,823 (3%)	12,095	4,213
Ministry-of-Shipping	8,532 (3%)	6,326	1,246
Welcome to Ministry of Health and Family Welfare	5,573 (2%)	9,218	2,876
Ministry of Agriculture	4,014 (1%)	10,694	2,394

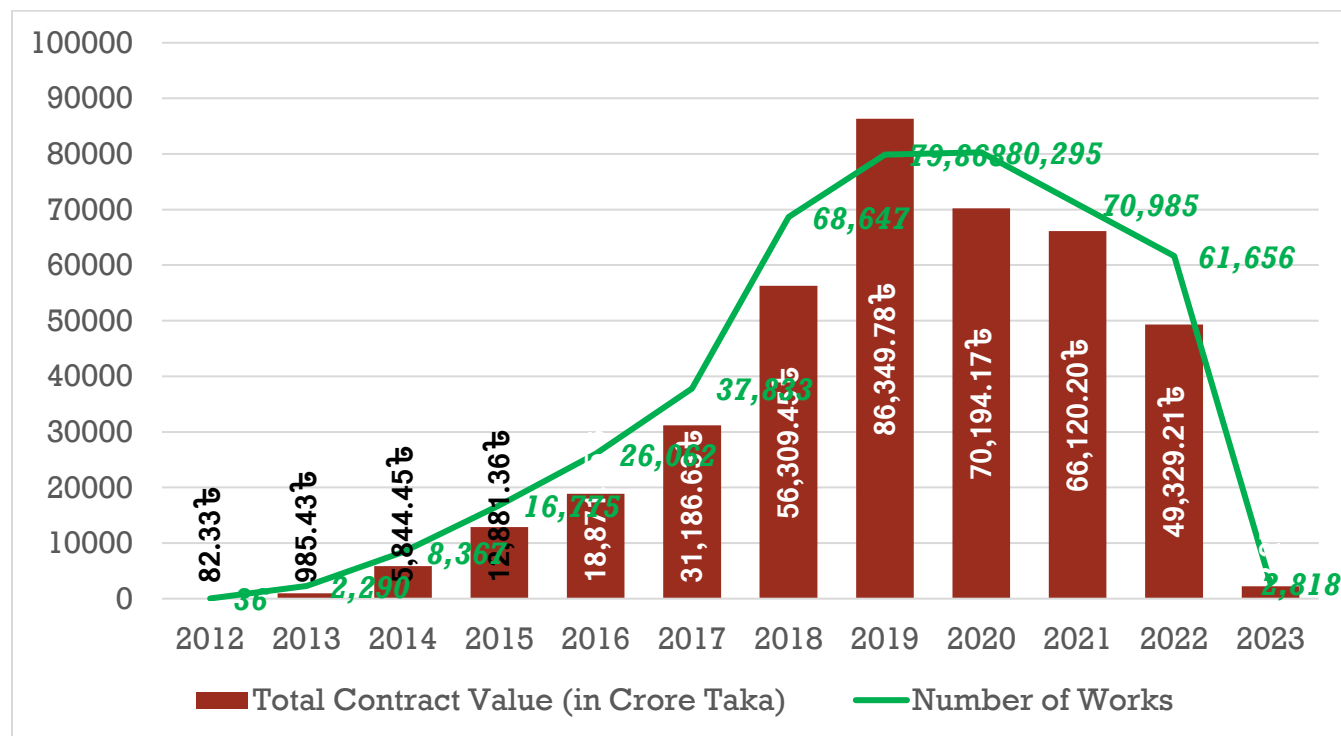
* Figures in parentheses indicate the percentage share of total contract value under e-GP.

b) Year-wise e-procurement Trend

The year-wise e-Contract data provides a comprehensive view of the trends and fluctuations in government procurement activities over the period. Beginning in 2012 with relatively modest numbers, the years 2013 to 2019 stood out as periods of substantial procurement through e-GP, marked by a significant increase in both the number of works undertaken and the total contract value. In 2019, the highest amount of BDT 86 thousand crore was spent against 79,868 contracts. From 2020 government purchase through e-GP slowed down in terms of value. The next three years witnessed significant decline in procurement value which can be attributed to

the COVID-19 pandemic and the related government austerity measures. (See Chart-1)

Chart-1: Year wise e-Procurement



When we compare the e-procurement spending of 2022 with the annual procurement value of 25 billion dollars,⁴¹ it becomes evident that a significant portion of public procurement continues to occur outside the e-tendering system through offline tenders.⁴² Furthermore, the data reveals that the vast majority of works, a striking 99.62%, are clustered within the 0-25 Crore Taka contract value range. This highlights the prevalence of relatively lower-value contracts within e-procurement. Notably, in terms of contract value, this category constitutes a substantial 78.64%. (see Table 2) This suggests that a considerable portion of government procurement, especially higher-value contracts, continues to operate outside of the e-tendering.

⁴¹ Ibid, Draft SUSTAINABLE PUBLIC PROCUREMENT (SPP) POLICY OF BANGLADESH

⁴² <https://www.cptu.gov.bd/media-communication/speeches.html>

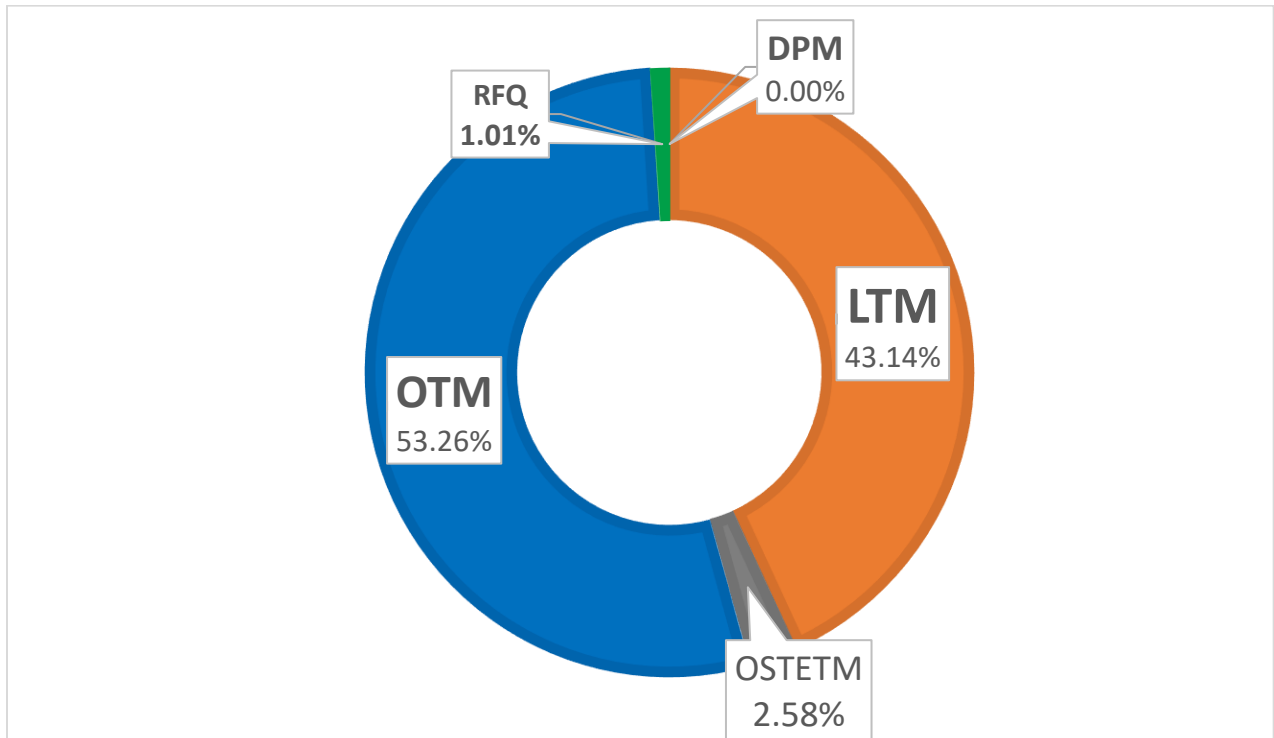
Table-2: **Classification of contract packages by value for the Period**

Classification by contract Value	Number of Works	Percentage of works	Contract Value (In Crore BDT)	Percentage of Contract value
0-25 Core	453,905	99.62%	314,878.50	78.64%
26-50 core	1,231	0.27%	40,480.95	10.11%
51-75 core	258	0.06%	15,856.04	3.96%
76-100 core	157	0.03%	13,453.61	3.36%
100 core +	82	0.02%	15,695.88	3.92%

C) Distribution of works by procurement methods

Within Bangladesh's e-procurement system, more than 96% of contracts were allocated through two primary methods: Open Tender Method (OTM) and Limited Tender Method (LTM). Specifically, OTM holds a 53.26% of contracts, while LTM's share was 43.14%. The use of other forms of procurement like One Stage Two Envelope Tendering Method OSTETM (2.58%) and Request for Quotation - RFQ (1.01%), is rather low (See Chart-2).

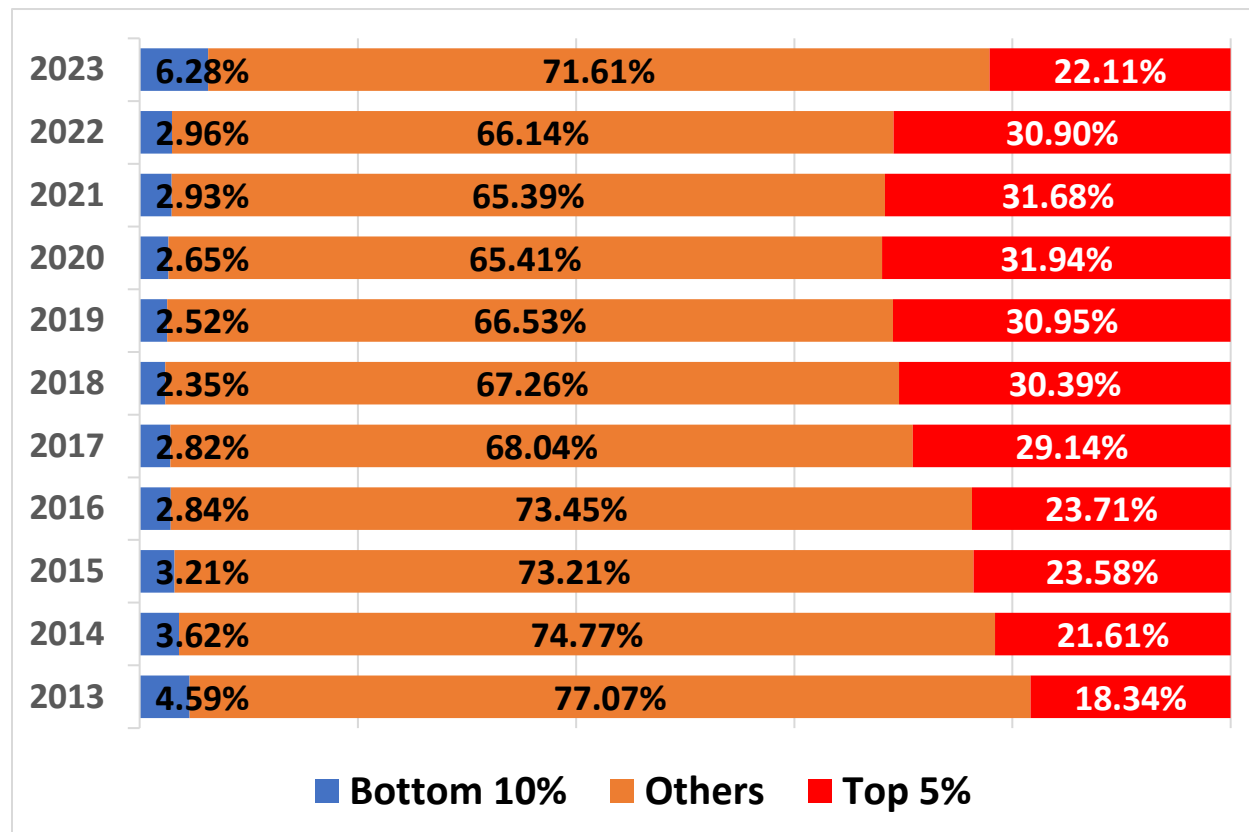
Chart-2: **Distribution of works by procurement method**



d) Market concentration

To assess the market concentration in the e-procurement system, we chose to study the business share of the top 5% and bottom 10% of the contractors/ suppliers over the years. The data shows that the market share of the top 5% of contractors/ suppliers increased from 18.34% in 2013 to 31.68% in 2021. This indicates that these top 5 percent of contractors wield considerable influence in the e-procurement landscape. The bottom 10 % market share is only 3 per cent. (see Chart-3).

Chart-3: **Business Share of Top 5% and Bottom 10% Contractors over the Years**

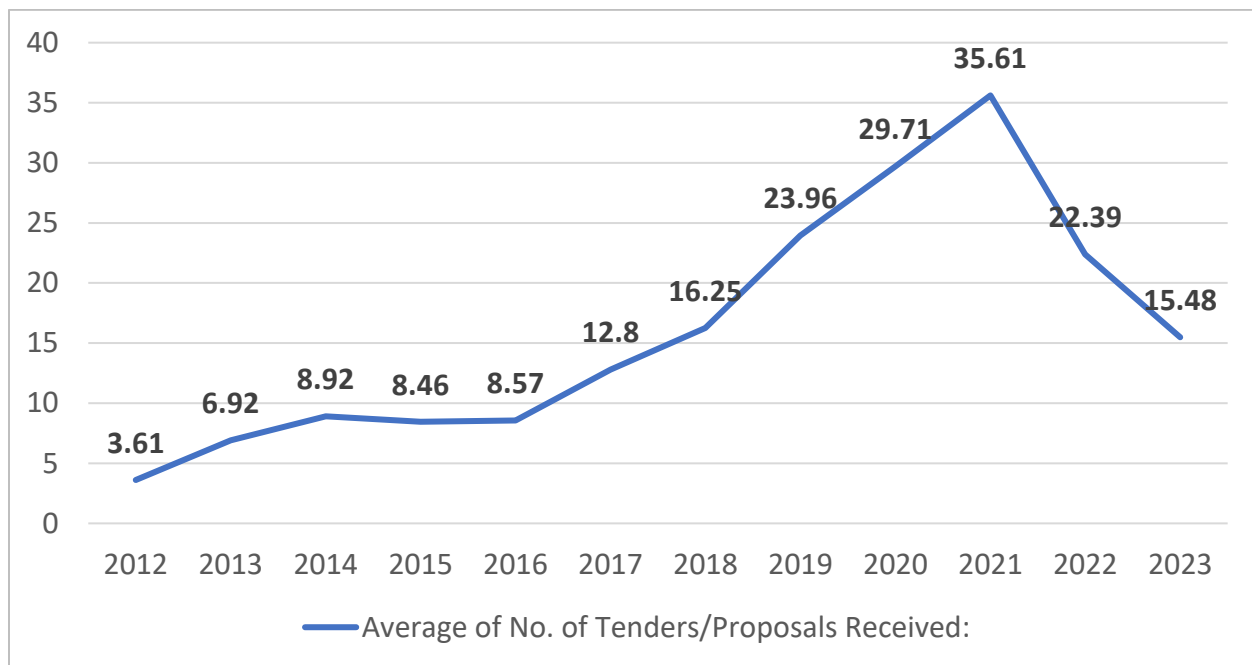


e) Average number of bids

The data shows a significant rise in the average number of tenders or proposals received, from only two in 2011 to 15.48. Notably also, while the average number of tenders rose from two to 8.57 in 2016, by 2019 it reached exponentially to 35.61, which could be considered as a trend towards higher level of transparency and competition (Chart 4). However, this rise is attributed to the growing popularity of the Limited Tender Method (LTM) compared to Open Tender Method (OTM). The standout year of 2017 witnessed a remarkable surge in interest and participation, a trend that continued until 2021 when it reached 35, following which it came down to 15.48 in 2023 (associated with Covid restrictions). The LTM garnered an average of 47.75 bids per tender (Chart 5), whereas the Open Tender Method (OTM) saw an

average of only 3.54 bids and in declining trend(chart 6). This underscores LTM's popularity and preference over OTM, caused by market distortions associated with the 10% (+/-) rule in OTM and the 5% (+/-) rule combined with a lottery system in bid selection.⁴³

Chart-4: Average of number of tenders/bids received per year



⁴³ Ibid, WB (2020), Assessment of Bangladesh Public Procurement System.

Chart 5: Average of No. of Tenders/Bids Received per year in OTM

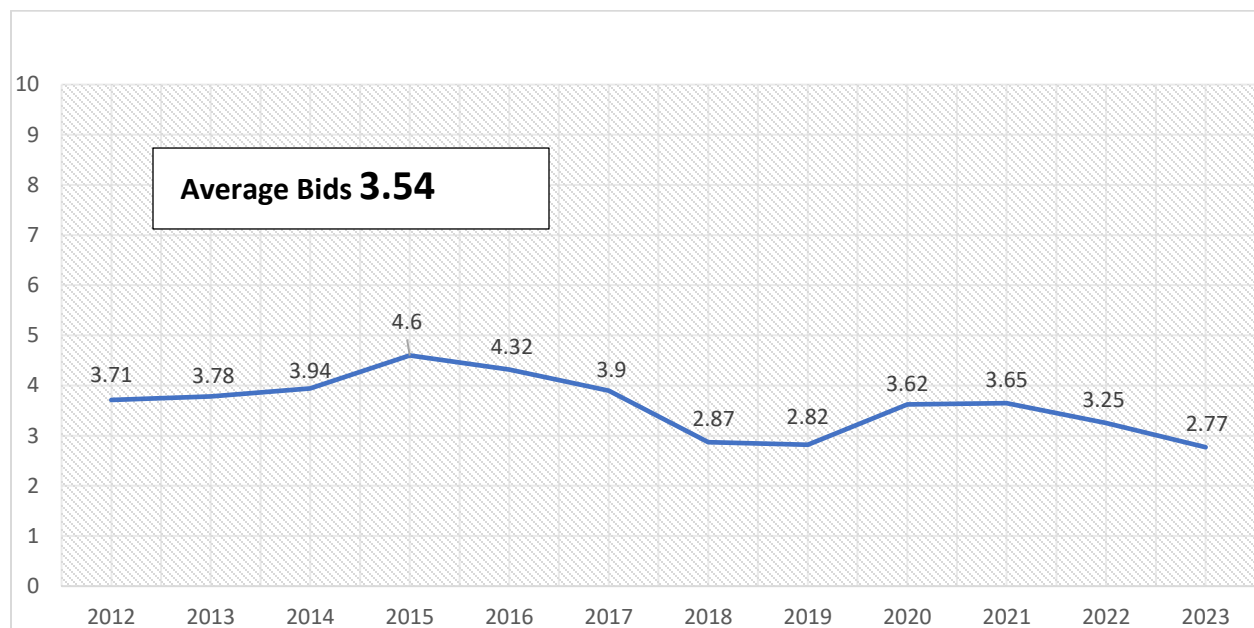
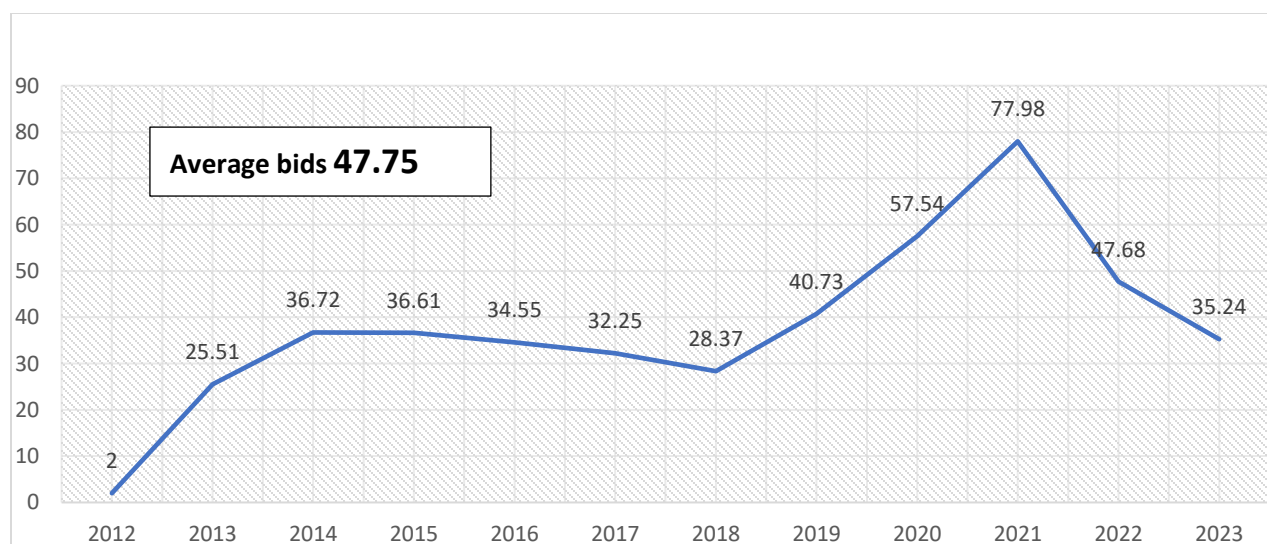


Chart 6: Average of No. of Tenders/Bids Received per year in LTM



It may be noted that Section 32(a) of the Public Procurement Act 2006 states that the Limited Tendering Method may be used in the following cases, namely,-

i) goods, related services, works or physical services by reason of their specialized nature are available only from a limited number of suppliers or contractors;

ii) in order to reduce stock requirement of spare parts and maintenance costs, if there is an established government policy regarding standardization of a brand;

ii) the time and cost required to receive and evaluate a large number of tenders would be disproportionate when compared to the value of the contract;

Provided that for clauses (i) and (ii), no price limit shall apply and all supplies or contractors shall be invited to the tender, and that clause (iii) shall apply subject to use of enlisted suppliers or contractors and a price limit as prescribed.

Section 32 (a) prescribes three conditions for LTM, as explained below:

1) Specialized Nature: Limited Tendering Method may be used when the goods, related services, works, or physical services required are of such specialised nature that they are only available from a restricted number of suppliers or contractors. In these cases, it may not be feasible to have a wide-open competition due to the unique nature of the items or services.

2) Standardization Policy: Limited Tendering can also be applied if there is an established government policy concerning the standardisation of a particular brand. This is typically done to reduce the need for stocking various spare parts and lowering maintenance costs by ensuring uniformity.

3) Proportionate Evaluation: When the time and cost required to evaluate a large number of tenders would be disproportionate in comparison to the value of the contract, the Limited Tendering Method can be utilised. This provision recognises that for smaller contracts, an exhaustive evaluation process may not be cost-effective.

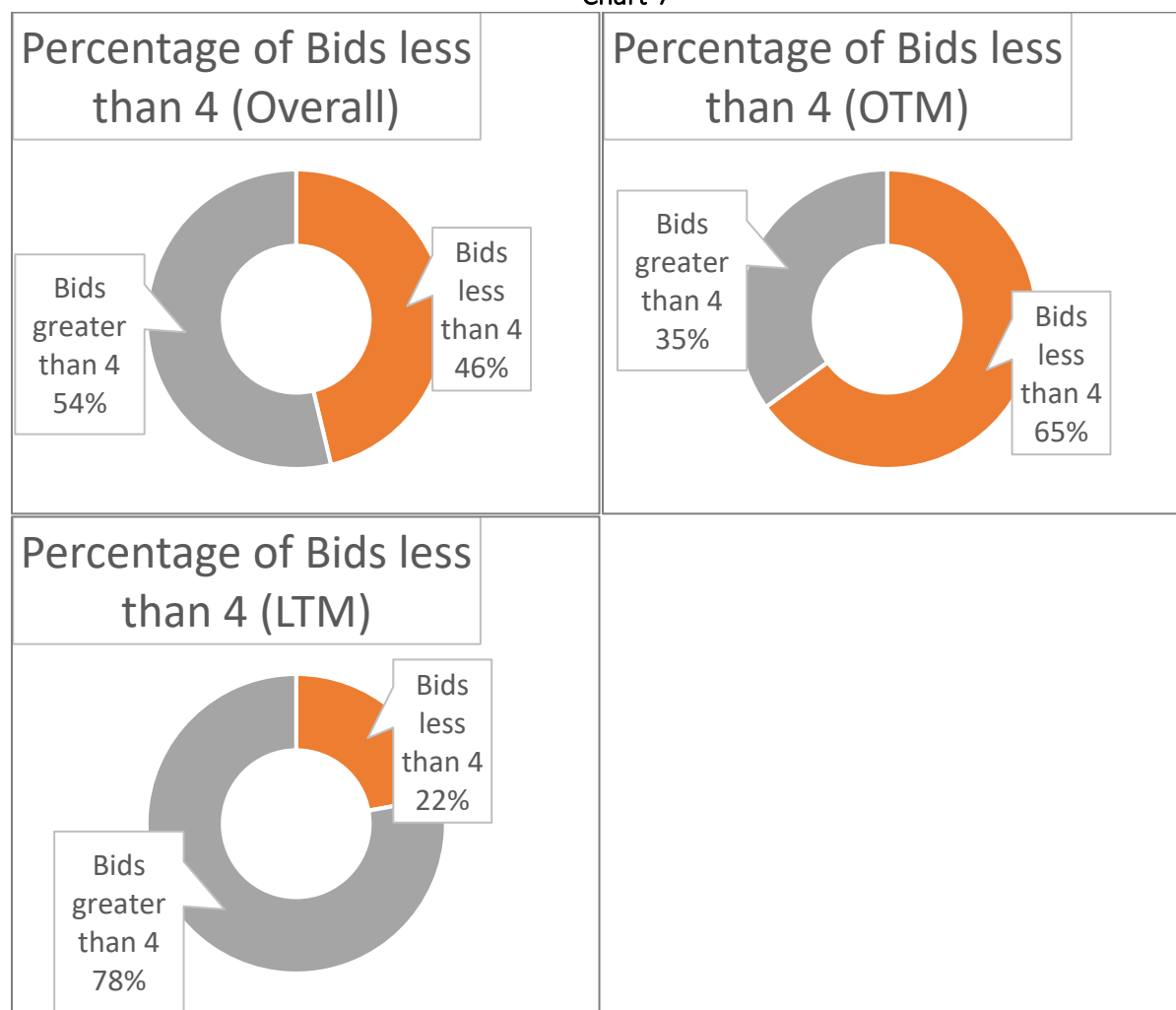
In essence, the law provides a framework for using the Limited Tendering Method in situations where fully open competition may not be practical or cost-effective,

although in any case transparency and fairness must be ensured in the procurement process. To test the extent of compliance we have examined the nature of works contracted under LTM. Data shows that 48% of works are categorized as repair & maintenance, 39% as construction-related. So it is apparent that most of the work did not need specialized skill and treatment.

Existing practice is contrary to what the law says about the use of a limited tendering method, thereby distorting the original purpose of the LTM method.⁴⁴ At the same time it compromises the scope of competitiveness.

f) The predominance of lower number of bids

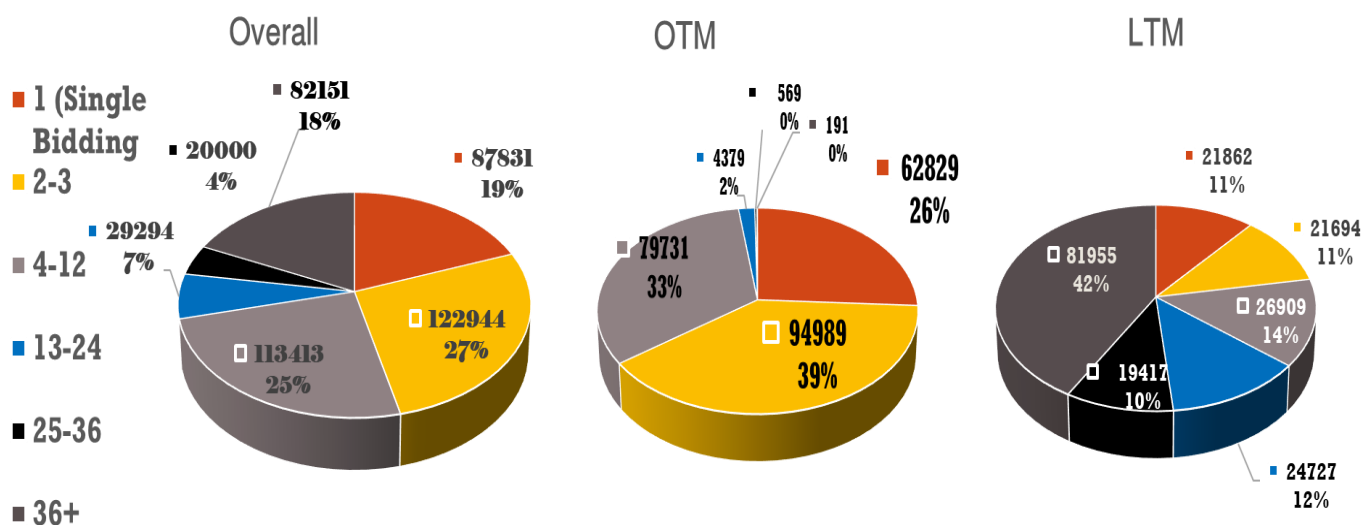
Chart-7



⁴⁴ WB(2020), Assessment of Bangladesh Public Procurement System.

If we consider the World Bank threshold that every procurement contract should have at least 4 bids to be considered as a transparent procurement process,⁴⁵ we find that in Bangladesh, an overall proportion of 46% of the contracts had less than 4 bids, whereas 65% of OTM contracts had less than 4 bidders. Clearly, for these contracts, the competition among bidders was relatively low. When we examine the data in terms of the distribution of tenders by the number of biddings, we find that single bidding accounts for 87,831 deals, or approximately 20.73% of the total contracts. These contracts attracted only one bid during the procurement process, meaning that there was no competition. It means that approximately 1 out of every 5 contracts was awarded through a single bid. In the case of OTM contracts, the percentage of single bids is 26%, which means that 1 out of every 4 contracts awarded fell s under the single bid category (see Chart-6). However, in the case of LTM, this figure is only 11%.

Chart-8 Percentage of number of bids per tender



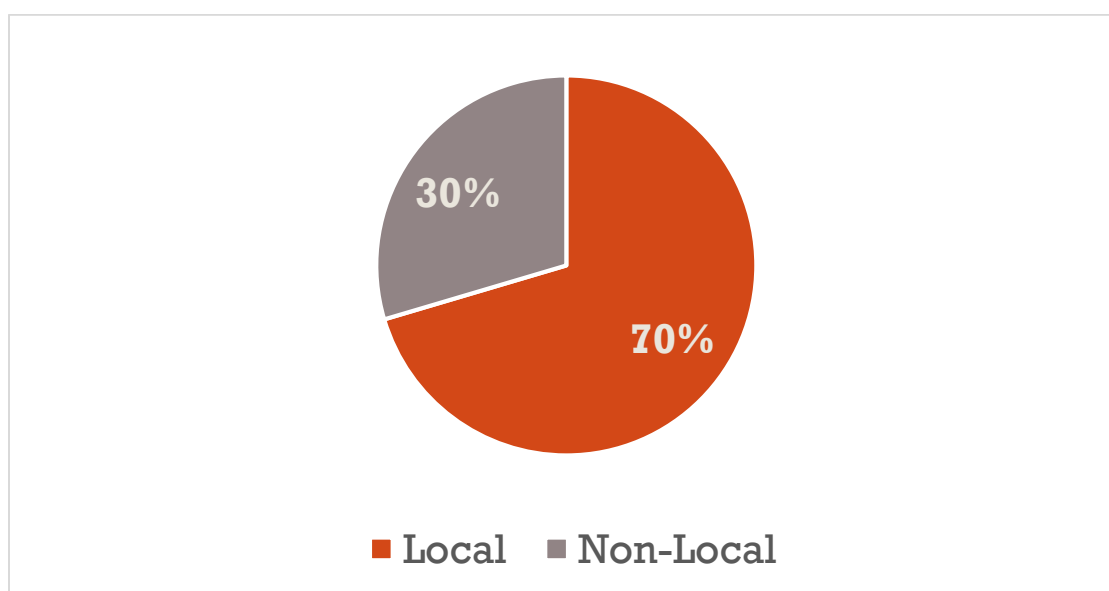
g) Local vs non-local bidder

Local contractors secured the lion's share of government contracts, representing about 70% of the total awards, while the remaining 30 percent went to non-local contractors(see Chart-7) . Research indicates that e-GP in Bangladesh has a modest

⁴⁵ Red Flags of Corruption' in World Bank Projects: An Analysis of Infrastructure Contracts by Charles Kenny and Maria Musatova

impact on increasing the likelihood of local contractors winning contracts, with a range of 3.7% to 6.3%. In contrast, India experiences a more substantial increase of 11%, while Indonesia sees a remarkable 23% boost in winning chances due to e-procurement.⁴⁶ The question then arises: Why is the impact of e-procurement on local contractors in Bangladesh less significant compared to India and Indonesia? TIB's 2020 study on e-GP sheds light on this matter. Despite the introduction of e-GP, in specific instances, the allocation of contracts in certain areas of Bangladesh continues to be influenced by political factors or negotiations, which often prioritize local contractors.⁴⁷

Chart- 9: **Local vs Non-Local Bidder Market Share**



h) Monopolized winning bids by a single bidder

When a single company consistently secures a multitude of contracts, it raises a significant concern of compromised competitiveness, unless there is a compelling and transparent market advantage at play. Such a scenario can signify potential issues, such as a lack of healthy competition or a client's preference for one company based on prior interactions. In these cases, it becomes imperative to conduct a thorough and meticulous review.⁴⁸ We checked the data for companies that won

⁴⁶ Ibid, Blum et al. (2020) see (Page36) Table 8: SUMMARY OF IDENTIFIED E-PROCUREMENT IMPACTS ACROSS INDIA, INDONESIA, AND BANGLADESH

⁴⁷ Ibid,

⁴⁸ <https://documents1.worldbank.org/curated/en/223241573576857116/pdf/Warning-Signs-of-Fraud-and-Corruption-in-Procurement.pdf>

most of the contracts. We have considered only those procuring entities which offered at least 20 contracts to a single bidder. We found some procuring entities, such as the "Office of the Principal, Hosenabad Technical School and College" and "Office of the Principal, Chuadanga Technical School and College," which have awarded 100% and 95.65% of their respective works to the same suppliers. Similarly, suppliers, like "M/S Dhaka Metal & Machinarise Store" secured (88% to 96%) and "M/s. Hai & Co. secured (72% to 75%), the contracts awarded by Chuadanga Technical School and College, Meherpur Technical School & College and Sales & Distribution Division-1 & 5 BPDB Sylhet respectively. This concentration of contracts suggests a potential lack of diversity, fairness and competition in the procurement process, leading to monopolistic capture of contracts.

Table-3: Top 10 bidders who won the most contracts of a PE
(at least 20 Contracts)

Ministry/Division	Procuring Entity Name	Number of Works	Name of Supplier/Contractor/ Consultant:	Percent of work/tender	Sum of Contract Value (in Crore Taka)
Ministry of Education	Office of the Principal, Hosenabad Technical School and College	25(25)	M/S Khaleque Enterprise	100.00%	1.16
Ministry of Education	Office of the Principal, Chuadanga Technical School and College	22(21)	M/S Dhaka Metal & Machinarise Store	95.65%	0.71
Local Government Division	Sreemangal Paurashava	21(20)	Abu Bakar Ahmed & Sons	95.45%	3.67
Ministry of Fisheries & Livestock	LRI Comilla	24(22)	Bangladesh Science House	92.31%	32.9
Power Division	Executive Engineer(Operation), Chandpur 150MW CCPP	27(24)	M/S Sharif & Brothers	90.00%	2.93
Ministry of Education	Office of the Principal, Meherpur Technical School & College	29(25)	M/S Dhaka Metal & Machinarise Store	87.88%	0.94
Local Government Division	Upazila Parishad, Godagari, Rajshahi	33(25)	m/s.soniaenterprise	76.74%	2.43
Power Division	Sales & Distribution Division-1, BPDB, Sylhet.	53(40)	M/s. Hai & Co.	75.71%	4.44
Power Division	Sales and Distribution Division-5, BPDB, Sylhet.	76(55)	M/s. Hai & Co.	72.38%	4.42

Ministry of Environment, Forest and Climate Change	Tangail Forest Division	22(17)	M/S. M.R. Enterprise	70.97%	2.55
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Figures in parentheses indicate the winning number of contracts out of PE's total number of contract awarded through e-GP

Table-4: Top 10 bidders who won most of the contracts of a PE
Order by Contract Value (Minimum 60% Work/Tender)

Ministry/Division	Procuring Entity Name:	Number of Works	Name of Supplier/Contractor/Consultant:	Percent of work/tender	Sum of Contract Value (in Crore Taka)
Ministry of Fisheries & Livestock	LRI Comilla	24(22)	Bangladesh Science House	92.31%	32.9
Power Division	Sales & Distribution Division-4, Sylhet	54(35)	M/s. Hai & Co.	64.29%	4.99
Power Division	Sales & Distribution Division-1, BPDB, Sylhet.	53(40)	M/s. Hai & Co.	75.71%	4.44
Power Division	Sales and Distribution Division-5, BPDB, Sylhet.	76(55)	M/s. Hai & Co.	72.38%	4.42
Power Division	Sales & Distribution Division-3, Sylhet.	67(44)	M/s. Hai & Co.	65.05%	4.37
Local Government Division	Office of the Jhalokathi Pourashava, Jhalokathi	23(16)	M/S Hiramson Service Network	63.89%	4.29
Local Government Division	Sreemangal Paurashava	21(20)	Abu Bakar Ahmed & Sons	95.45%	3.67
Power Division	Executive Engineer(Operation), Chandpur 150MW CCPP	27(25)	M/S Sharif & Brothers	90.00%	2.93
Road Transport and Highways Division	Administration and Establishment Division	50(35)	M/S. Mir Brothers	69.44%	2.93
Ministry of Education	Office of the Principal, Thakurgaon Polytechnic Institute	31(20)	M/s. samir datta	64.58%	2.81

Figures in parentheses indicate the winning number of contracts out of PE's total number contract awarded through e-GP

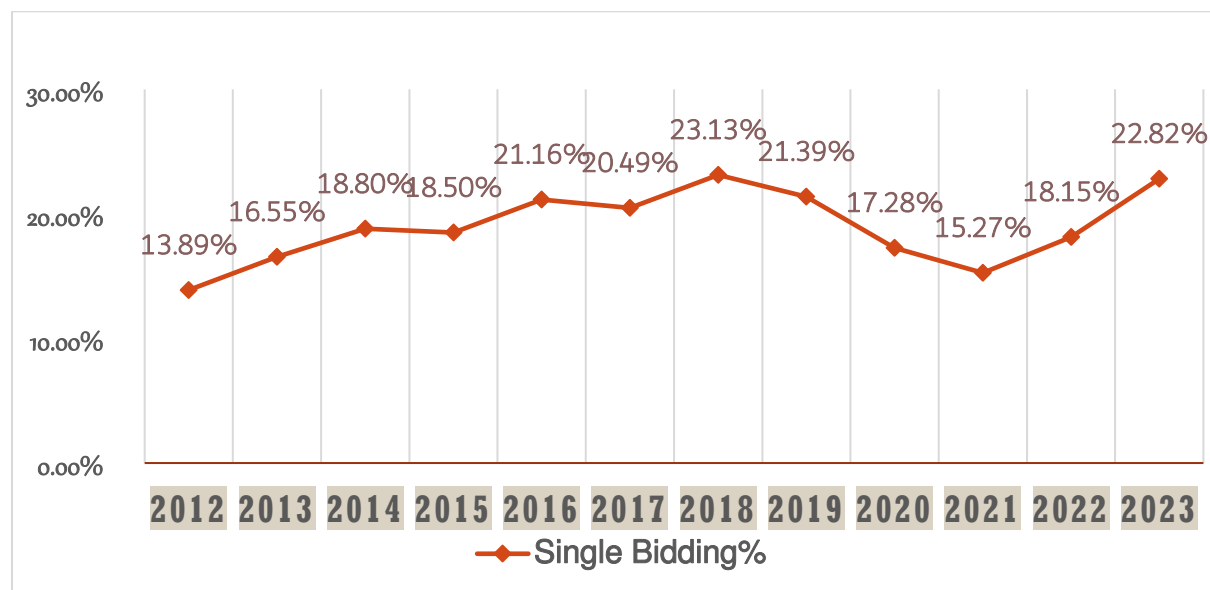
The above list further demonstrates a single supplier dominance, such as "LRI Comilla" and BPDB's "Sales & Distribution Divisions" in Sylhet, a single supplier, namely "Bangladesh Science House"(92.31%) and "M/s. Hai & Co.(64 % to 75%)," that consistently secured a major number of the contracts. This trend in which a single supplier secures a significant percentage of the contracts impedes fair competition and promotes monopolistic practices.

i) Single bidding pattern in e-procurement

A single bidding scenario occurs when a contract is awarded through a tender process with the participation of only one bidder in a competitive market. This situation serves as a clear indicator of restricted competition within public tenders.

⁴⁹ It often raises concerns about potential corruption in public procurement, as corrupt practices are more likely to emerge and sustain when there is only one company participating in the bidding process. Such limited competition can hinder transparency and fairness in procurement, underscoring the importance of fostering a competitive environment to mitigate corruption risks.⁵⁰

Chart-10: Percentage of Single Bid by Year



⁴⁹ Nicholas Charron, Carl Dahlström, Viktor Lapuente, Mihály Fazekas (2017). Careers, Connections, and Corruption Risks: Investigating the Impact of Bureaucratic Meritocracy on Public Procurement Processes. The Journal of Politics, Vol. 79, No. 1, January 2017. URL: <http://www.jstor.org/stable/10.5699/slaveasteurorev2.95.issue-1>

⁵⁰ A. Abdou, O. Basdevant, E. Dávid-Barrett, and M. Fazekas (May 2022) Assessing Vulnerabilities to Corruption in Public Procurement and Their Price Impact.

Our analysis of the data set shows a generally increasing trend in the percentage of single bids during the period (Chart 10). While there have been some variations from year to year, 2018 marked a peak of 23.13 percent of single bids. In 2021, the share of single bids dropped to 15.27%, the lowest for period, but before it could be treated to be of significance, it increased again in 2023 to 22.82%. Our analysis reveals 92 procuring entities where a substantial 75% of tenders resulted in single bids. Additionally, 416 contractors exhibited a single-bid percentage of at least 75%. Notably, contracts worth a total of BDT 60,069 crore were awarded through single bidding. Notably, single bidding is more prevalent in the goods purchase (24.55%), as opposed to works (18.42%).

Chart 11: Single Bid Trend for Works Contracts By Year

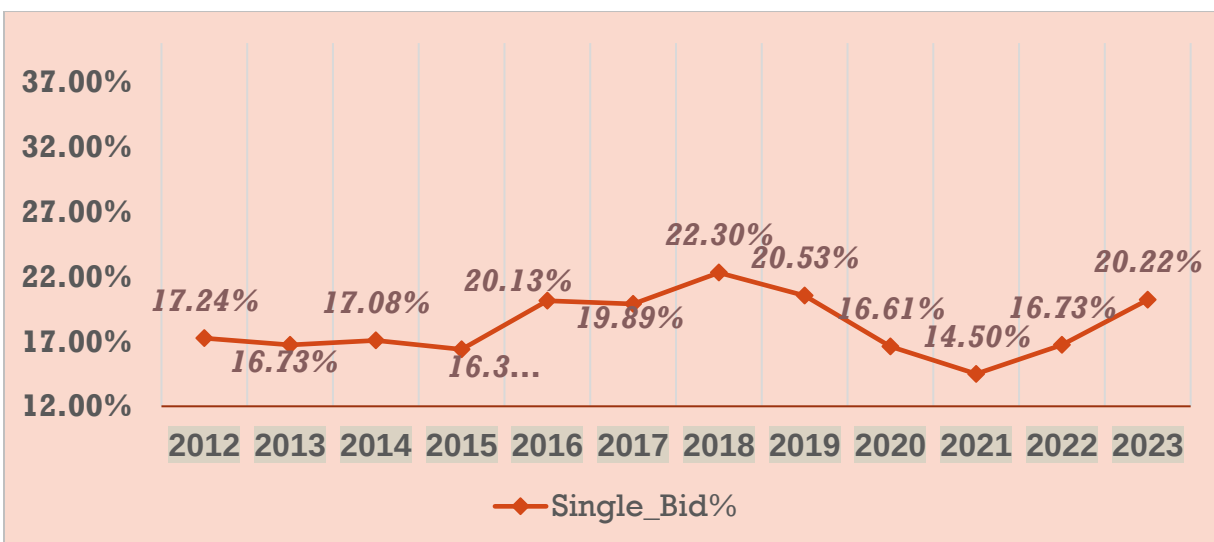
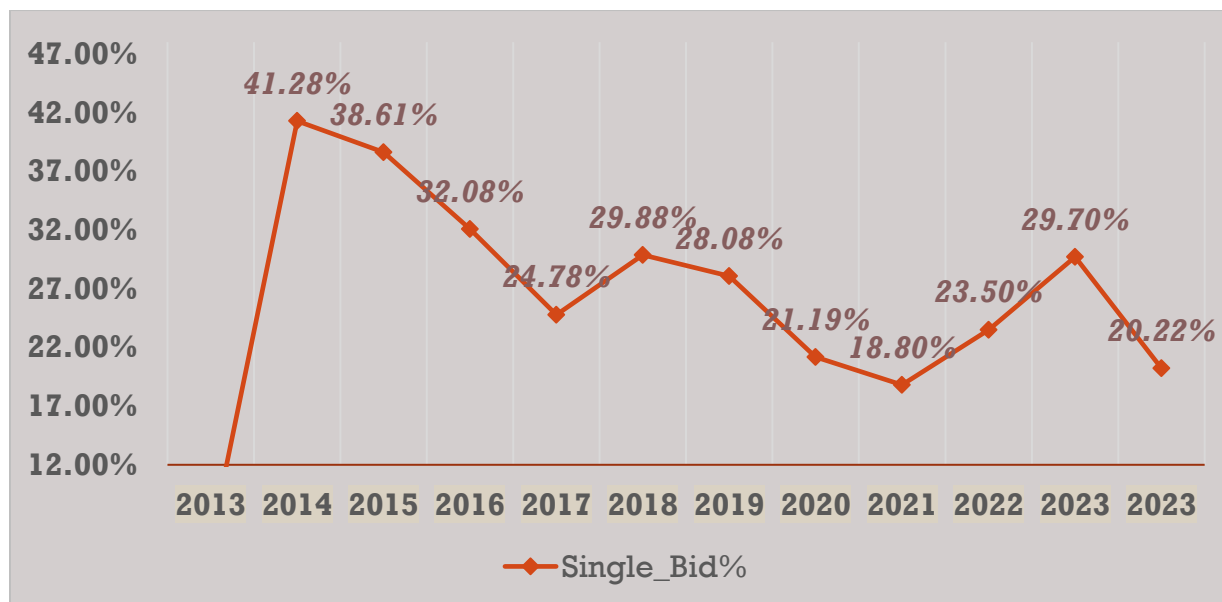


Chart-12: Single Bid Trend for Goods Contracts By Year



We found that there are procuring entities where 100% of contracts are awarded through single bidding. Several entities, such as the Office of the Upazila Engineer in Noakhali Sadar, Sales and Distribution Division of BPDB in Habiganj, and Office of the Sonaimuri Pourashava in Noakhali, have a single-bid percentage of 100%. This means that all the tenders conducted by these entities during the period studied received only one bid. This lack of competition can potentially raise questions about transparency in the bidding process (see table-5). Many other entities also exhibit extremely high single-bid percentages, often surpassing 99%. For instance, the Workshop Division in Feni, Sales and Distribution Division-5 of BPDB in Sylhet, and Sales & Distribution Division-3 in Sylhet, all have single-bid percentages close to 100%. This shows a normalization of limited competition in procurement process.

Table-5: Top 10 Procuring Entities with the most Single Bids(Minimum 10 works)**(Order by Single Bid Percentage)**

Procuring Entity Name:	Number of Works	Total Contract Value (in Crore Tk)	Single_Bid%	Sum of Contract Value (in crore Taka) of Single Bid
Office of the Upazila Engineer, Noakhali Sadar, Noakhali.	154	12.09	100.00%	12.09
Sales and Distribution Division, BPDB, Habiganj.	39	1.44	100.00%	1.44
Office Of The Sonaimuri Pourashava, Noakhali	29	2.2	100.00%	2.20
Sales and Distribution Division, Patharghata, BPDB, Chittagong	22	0.53	100.00%	0.53
Madhabdi Pourashava	13	7.73	100.00%	7.73
PIU Office of Gournadi Pourashava, Barishal	11	15.14	100.00%	15.14
Office of the Mayor, Gournodi Paurashava, Barishal	10	2.45	100.00%	2.45
Workshop Division, Feni	202	10.77	99.50%	10.74
Sales and Distribution Division-5, BPDB, Sylhet.	105	5.66	99.05%	5.62
Sales & Distribution Division-3, Sylhet.	103	6.17	99.03%	6.10

A closer look at the data on over 60% share of single bidders helped us identify the extent of monopolistic control of contracting entities. The Comilla PWD Division in Comilla Office of the Project Director (DSCC-IURIDS) had a single-bid percentage of 66%, suggesting that around two-thirds of their tenders attracted only one bidder. The Narayangonj PWD Division in Narayangonj and Office of the Executive Engineer - MCC-DSCC had single-bid percentage of 89.49%, implying a more pronounced lack of competition in their procurement process. The Office of the Project Director (DSCC-NDDMP) also had high single-bid percentage of 84.38. . This suggests that while limited competition is prevalent, it has not necessarily resulted in lowering the contract values (see Table 6).

Table 6: **Top 10 Procuring Entities with the most Single Bids**
Order by Contract Value (Minimum 60% Single Bid)

Procuring Entity Name:	Number of Works	Single_Bid%	Total Contract Value (in Crore Tk)	Sum of Contract Value (in crore Taka) of Single Bid
Comilla PWD Division, Comilla	1075	65.67%	841.31	379.61
Office of the Project Director (DSCC-IURIDS)	66	66.67%	694.36	496.06
Narayangonj PWD Division, Narayangonj	666	89.49%	595.54	324.78
Office of the Executive Engineer, Noakhali Zone	751	80.56%	480.17	383.06
PWD Wood Workshop Division	1085	73.36%	416.99	238.97
Office of the Project Director(DSCC-NDDMP)	32	84.38%	411.38	345.38
Office of the Project Director(RDRIDF-DSCC)	46	78.26%	370.71	302.94
PWD EM Workshop Division	1090	74.40%	329.36	184.82
Office of the Executive Engineer - MCC-DSCC	19	89.47%	294.86	261.18
Office of the Executive Engineer (Zone-4)	129	64.34%	276.78	183.85

Top 10 Contractors winning the most single bids

The table 7 shows the top ten contractors who won the most single bids ranging from 97 to 100 percent. It also shows the amount of money involved.

Table 7: **Top 10 Contractors winning the most single bids**

(Order by Single Bid Percentage)

Name of Supplier/Contractor/ Consultant:	Number of Works	Single_Bid%	Total Contract Value (in Crore Tk)	Sum of Contract Value (in crore Taka) of Single Bid
M/A EKBAL ENTERPRISE	21	100.00%	1.98	1.98
M/S Kapashia Construction	25	100.00%	0.75	0.75
M/S. Akbar & Sons	33	100.00%	1.37	1.37
M/S. NOMAN ENTERPRISE	31	100.00%	1.48	1.48
M/S NUPUR ENTERPRISE	468	99.15%	24.98	24.80
M/s.Babul Enterprise	73	98.63%	3.78	3.73
M/S N M ENTERPRISE	56	98.21%	4.6	4.56
M/S. SHAHABUDDIN ENTERPRISE	51	98.04%	1.32	0.96
M/S. Taha Construction	38	97.37%	0.85	0.82
HAZARA & SONS	34	97.06%	1.3	1.27

When we analysed the contractor data with contract value and 60% of single bidding, a new list of big contractors' name emerged, who won contracts through single bidding. Navana Limited (89.47%), M/S S.R. Enterprise (85%), and M/S. Fawn International (77.78%), had the highest single-bid percentages, as shown in table 8. They are followed by Max Infrastructure Ltd. (69%) and Creative Engineers Ltd. (67.35%). The table shows that for a significant portion of works of the contracting entities, only one bid was submitted during the tendering process. It also shows that high value contracts attract single bidding from big contractors.

Table-8: Top 10 Contractors with most single bids entities (Minimum 20 Works & 60% of single bid)

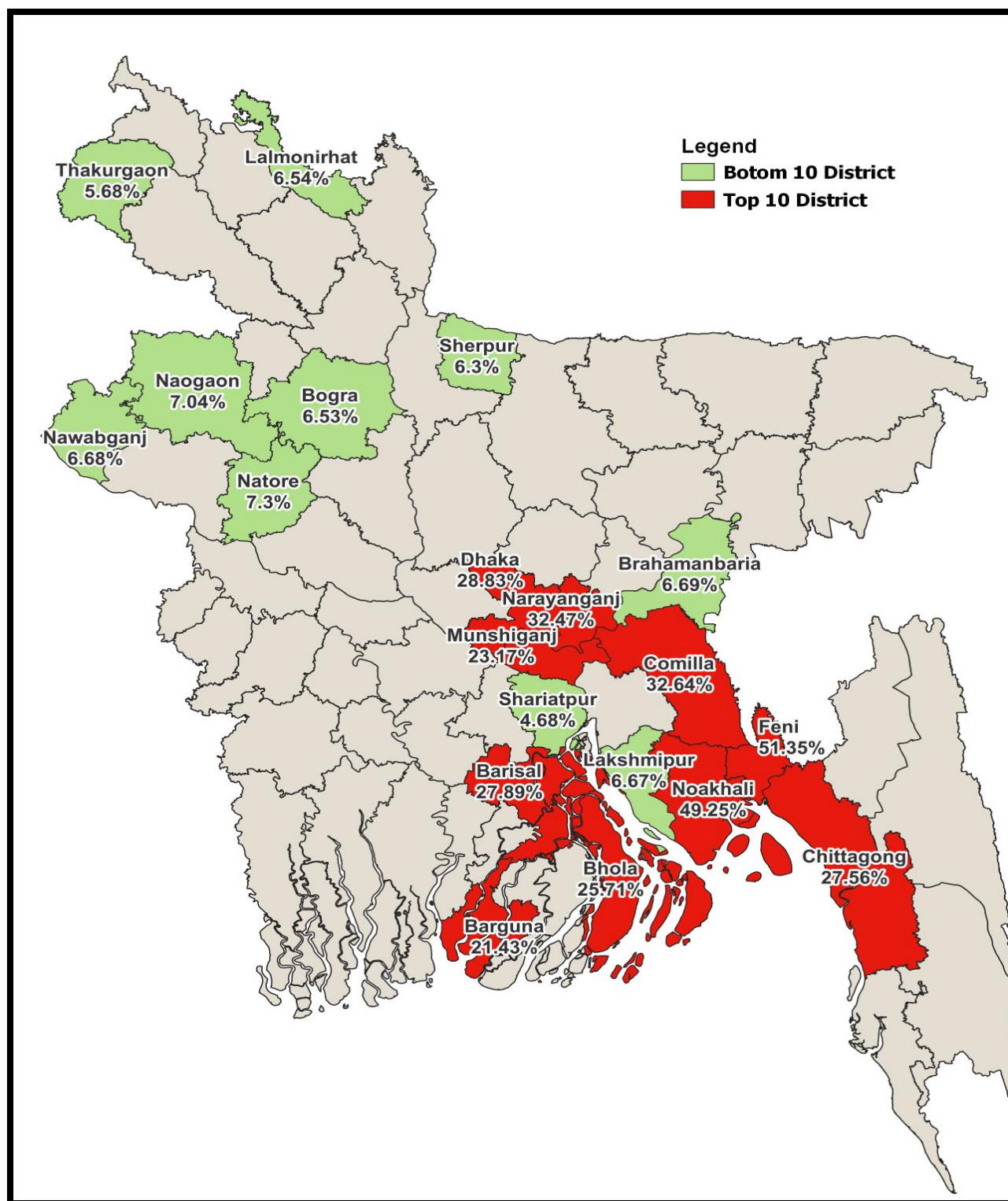
(Order by Contract Value)

Name of Supplier/Contractor/ Consultant:	Number of Works	Single_Bid%	Total Contract Value (in Crore Tk)	Sum of Contract Value (in crore Taka) of Single Bid
MAX INFRASTRUCTURE Ltd.	39	69.23%	586.73	219.45
Navana Limited	152	89.47%	219.42	189.12
M/S AHSAN ENTERPRISE	147	61.90%	175.62	145.73
Creative Engineers Ltd	164	67.07%	214.05	126.20
Rangs Limited	110	64.55%	618.29	117.78
M/S S.R. Enterprise	127	85.04%	117.85	103.48
M/S. Fawn International	18	77.78%	151.4	103.04
M/S Bokshi Enterprise	98	67.35%	107.93	78.84
M/S Bhuiyan Builders	106	60.38%	103.36	74.83
M/S Telikhali Construction	34	70.59%	98.58	74.32

Geographical distribution of Single Bidding:

The data set reveals that in Feni and Noakhali districts, half of all contracts are awarded through single-bid procurement processes. Comilla and Narayanganj follow closely, with one-third of the contracts being awarded through single-bid procurement. Dhaka ranks fifth among the districts with the highest percentage of contracts awarded through single-bid procurement (see Maps 1 & 2). Shariatpur had the lowest percentage of contracts awarded through single-bid procurement, accounting for only 4.68% of contracts in this category. Thakurgaon, Sherpur, Bogura, and Lalmonirhat districts follow closely, with 5.68% to 6.54% of contracts secured through single bids. Laksmipur, Chapai Nawabganj, Brahmanbaria, Naogaon, and Natore districts exhibit similar patterns, with single-bid percentages ranging from 6.67% to 7.30%. Overall, these districts seem to have a relatively lower prevalence of single-bid procurement compared to other regions, indicating a healthier competitive environment in their public procurement processes compared to the regions having higher concentration of single-bidding.

MAP-1: District wise Single bidding



Top 6 Single Bid Contracts

Table 9 shows the highest value single-bid contracts, each exceeding a value of 100 crore. On top is a multi-storied construction project valued at 176 crore, which attracted only one bid. Azimpur PWD division awarded this project to Padma Associates & Engineers LTD based on single bid. Following closely, the second-highest contract, valued at 153 crore, was awarded to Mazid and Sons Construction Ltd by Rajshahi University, with only one bidder. The third notable contract, valued at 137 crore, involved the construction of a ten-story administrative building for Chittagong University, also having only one bidder. The two other highest value single-bid contracts are listed in the table below.

Table-9: Top 6 Single Bid Contracts (in terms of value)

Brief Description of Contract:	Contract Value (in Crore Taka)	Name of Supplier/Contractor/Consultant:	Procuring Entity Name:
Construction of Multi storied residential Flat for Government officers in Azimpur Gov. (Package No W-5). FY: 2019-20	176.19	Padma Associates & Engineers Ltd.	Azimpur PWD Division, New Market, Dhaka
Construction of 20 Storied Central Science Building.	153.67	Mazid Sons Construction Ltd.	Office of the Project Director, Rajshahi University
Construction of a Ten Storied Administrative Building	137.42	MJCL-MNHCL(JV)	Project Office, Jahangirnagar University
Procurement of SUV (Jeep) (2000cc - 2700cc)	126	Pragoti Industries Limited	Transport Section, Police Headquarters, Dhaka
Construction of one 12-storied, three 10 storied building and one 8- storied building at, Nasirabad Housing Society,	106.21	M Jamal & Company Limited	Maintenance Circle , Dhaka
Pavement Widening, Strengthening, Raising, RCC Box Culvert, Protective Work, etc of Joydebpur - Tangail - Jamalpur Road (N-4) (Ch. 100+520 to 115+520) Under Tangail Road Division.	101.96	Wahid Construction Ltd.	Jamalpur Circle

Single Bidding in City Corporations

This section provides insights into the prevalence of single-bid procurement across various city corporations in Bangladesh. Among all the city corporations, Chittagong City Corporation has the highest percentage of contracts awarded through single-bid procurement, accounting for approximately 62.70% of its contracts. Dhaka South City Corporation follows closely, with 55.21% of its contracts falling into the single-bid category. On the other hand, Cumilla City Corporation has the lowest percentage of contracts awarded through single-bid procurement, with only 5.04% of its contracts in this category. Other city corporations, such as Khulna, Sylhet, and

Dhaka North City Corporation, also have relatively low percentages of single-bid contracts, indicating a relatively better competitive procurement environment in these areas.

Table- 10: **Single Bidding in City Corporations**

Agency:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Chittagong City Corporation	1496	1304.91	62.70%
Dhaka South City Corporation	1431	4955.08	55.21%
Mymensingh City Corporation	166	707.53	42.17%
Gazipur City Corporation	634	3462.61	32.18%
Narayanganj City Corporation	204	764.65	31.37%
Rajshahi City Corporation	316	1628.66	19.94%
Dhaka North City Corporation	1703	4790.34	8.28%
Sylhet City Corporation	821	1393.18	7.55%
Khulna City Corporation	1593	982.77	6.91%
Comilla City Corporation	119	323.97	5.04%

Single Bidding in Municipalities

Sonaimuri Paurashava stands out as having all of its contracts awarded through single-bid procurement, indicating virtually no competition in its procurement processes. Barguna Paurashava follows closely, with 95.24% of its contracts falling into the single-bid category. Dagonbhuiyan Paurashava, Madhabdi Pourashava in Norshingdi, and Nangalkot Paurashava also have relatively high percentages of single-bid contracts, at 94.23%, 88.00%, and 87.50% respectively. All other municipalities listed in tables 11 and 12 below, also show high rates of single bidding both in terms of number and value of contracts.

Table-11: Single bidding prone Top 10 municipalities

(Order by Single Bid Percentage)

Agency:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Sonaimuri Paurashava	29	2.2	100.00%
Barguna Paurashava	21	21.81	95.24%
Dagonbhuiyan Paurashava	52	8.09	94.23%
Madhabdi Pourashava, Norshingdi	25	11.35	88.00%
Nangalkot Paurashava	24	4.18	87.50%
Basurhat Paurashava	22	4.8	81.82%
Chowmuhan Pourashava	227	33.46	79.74%
Jhalokathi Paurashava	69	16.49	79.71%
Pabna Paurashava	26	94.05	73.08%
Kahaloo Paurashava	26	1.53	65.38%

Table-12: Single bidding prone Top 10 municipalities(Minimum 60% single Bidding)

(order by contract value)

Agency:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Pabna Paurashava	26	94.05	73.08%
Jhenaidah Paurashava	35	37.1	62.86%
Chowmuhan Pourashava	227	33.46	79.74%
Barguna Paurashava	21	21.81	95.24%
Jhalokathi Paurashava	69	16.49	79.71%
Madhabdi Pourashava, Norshingdi	25	11.35	88.00%
Dagonbhuiyan Paurashava	52	8.09	94.23%
Basurhat Paurashava	22	4.8	81.82%
Nangalkot Paurashava	24	4.18	87.50%
Sreemangal Paurashava	22	3.71	63.64%

Road Transport and Highways Division

The data summarized in table 13 reveals a notable pattern of single-bid procurement within Road Transport and Highway Division, particularly contracts relating to workshops, equipment, and ferry services in different regions of Bangladesh. In several cases, such as the Workshop Division in Feni and Tejgaon, Dhaka, an overwhelming majority of contracts, close to 100%, are awarded through single bids, indicating a lack of competition. Similarly, the Ferry Division, Barisal, and Ferry Maintenance Division in Dhaka also show a high prevalence of single-bid awards.

Table: 13: Single bid prone RTHD entities (Minimum 20 Works)

(Order by Contract Value)

Procuring Entity Name:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Workshop Division, Tejgaon, Dhaka	1631	87.15	98.71%
Procurement & Storage Division, Dhaka	579	74	93.44%
Equipment Control Division, Dhaka	468	45.25	73.08%
Ferry Construction Division, Dhaka	464	38.84	80.39%
Ferry Maintenance Division, Dhaka	732	37.36	87.84%
Ferry Division, Barisal	781	36.35	96.93%
Ferry Division, Patuakhali	786	34.29	90.20%
Ferry Division, Khulna	502	28.54	86.25%
Workshop Division, Chittagong	255	12.32	92.94%
Workshop Division, Feni	198	10.73	99.49%

Single bidding in the Ministry of Housing and Public Works

The data presents a significant concentration of single-bid procurement in various Public Works Department (PWD) divisions, primarily in the Dhaka region. Narayangonj PWD Division in Narayangonj leads the list with high single-bid percentage of 89.49%, indicating a virtual lack of competitive participation in the tendering process. Chandpur PWD Division and PWD Resource Division in Dhaka also exhibit a high prevalence of single-bid awards, with percentages exceeding 80%.

These numbers point to potential issues with competition and transparency within the procurement procedures of these PWD divisions (see Table: 14 & 15).

Table 14 Top 10 Single bid prone PWD entities (Minimum 20 Works)

(Order by Single Bid Percentage)

Procuring Entity Name:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Narayangonj PWD Division, Narayangonj	666	595.54	89.49%
Chandpur pwd division	574	200.59	83.97%
PWD Resource Division, Dhaka	469	142.59	80.81%
PWD EM Division-9, Dhaka	489	98.95	78.53%
PWD EM Division-8, Dhaka	1731	227.54	75.68%
PWD EM Workshop Division	1090	329.36	74.40%
PWD Wood Workshop Division	1085	416.99	73.36%
PWD EM Division-10, Dhaka	632	161.99	72.94%
Comilla PWD Division, Comilla	1075	841.31	65.67%
PWD EM Division-3, Dhaka	953	254.73	63.90%

Table-15: Top 10 Single bid prone PWD entities (Minimum 20 Works & 60% of single bid)

(Order by Contract Value)

Procuring Entity Name:	Number of Works	Sum of Contract Value (in Crore Taka)	Single_Bid%
Comilla PWD Division, Comilla	1075	841.31	65.67%
Narayangonj PWD Division, Narayangonj	666	595.54	89.49%
PWD Wood Workshop Division	1085	416.99	73.36%
PWD EM Workshop Division	1090	329.36	74.40%
PWD EM Division-3, Dhaka	953	254.73	63.90%
PWD EM Division-8, Dhaka	1731	227.54	75.68%
Gopalganj PWD Division	444	209.36	61.26%
Chandpur pwd division	574	200.59	83.97%
Norshingdi PWD Division, Norshingdi	451	169.35	62.08%
PWD EM Division-10, Dhaka	632	161.99	72.94%

Top 5 Single bid winning contractors of Ministry of Housing and Public Works

Contractor	Number of Works	Single bid Percentage	Total Contract Value(Core BDT)	Total single bid Contract Value(Core BDT)	PE
Padma associates and Engineers Limited	94	55.32%	690.90	232.49	PWD EM Division-8 Dhaka
MSS. Amanat Enterprise	537	46.93%	436.17	156.91	PWD EM Division-8 Dhaka
National Development Engineers limited	28	50.00%	547.93	143.65	PWD EM Division-4 Dhaka
MSS. Kohinur Enterprise	122	83.61%	150.25	124.96	PWD EM Division-4 Dhaka
M. Jamal & company LTD	11	9.09%	755.27	106.21	PWD EM Division-2, Segunbagicha Dhaka

Padma Associates and Engineers Limited were involved in 94 contracts, and 55.32% of these contracts were awarded through single-bid procurement. In terms of value, it is a top contractor in the Ministry of Housing and Public Works. MSS. Amanat Enterprise has participated in 537 contracts, with a relatively lower single-bid percentage of 46.93%. National Development Engineers Limited participated in 28 contracts, with 50 percent of them being awarded through single-bid procurement. MSS. Kohinur Enterprise was involved in 122 contracts, with a high single-bid percentage of 83.61%.

Concluding observations

1. Despite being introduced 12 years ago, e-tendering in Bangladesh covers only 20-35% of government procurement. Nearly all high value contracts are excluded from its scope.
2. The majority of e-procurement contracts (99%) fall within the Taka 1 to 25 crore value range.
3. Ten ministries and divisions account for 92% of the total number of works and nearly 97% of e-contract value, with the Local Government Division being the highest spender.

4. The top 5% of contractors control nearly 30% of e-contracts, and their market dominance is on the rise.
5. E-procurement sees an overall increase in the average number of bids, but the Open Tendering Method (OTM) receives only 3.54 bids per tender on average, while Limited Tendering Method (LTM) attracts 47.75 bids per tender.
6. The 10% price cap in the OTM promotes LTM, which requires no prior experience, is distorting potentials of market competition.
7. Approximately 46% of contracts receive fewer than 4 bids overall, with 65% of OTM contracts having less than 4 bidders, indicating low competition.
8. About 20.73% of all contracts are single bids, meaning one in five contracts is awarded through a single bid.
9. In OTM contracts, 26% are single bids, highlighting the prevalence of single-bid awards.
10. Local contractors secure around 70% of government contracts, while non-local contractors receive the remaining 30%.
11. The total value of single-bid contracts amounted to 600 billion BDT during the period, representing 15% of the total e-contract value.
12. There are 92 procuring entities where a significant 75% of tenders result in single bids, and 416 contractors have a single-bid percentage of at least 75%.
13. Feni and Noakhali districts have half of all contracts awarded through single-bid processes, with Comilla and Narayanganj following closely at one-third.
14. Chittagong City Corporation tops the list with approximately 62.70% of contracts awarded through single-bid procurement, followed by Dhaka South City Corporation at 55.21%.
15. Sonaimuri Paurashava has all contracts awarded through single-bid procurement, indicating no competition, while other Paurashavas like Barguna Dagonbhuiyan, Madhabdi, and Nangalkot also have high percentages of single-bid contracts.

Recommendations

1. All contracts of higher value currently not covered under e-GP should be expeditiously included in the e-tendering process.
2. The present practice of price caps in Open Tender Method (OTM) and Limited Tender Method (LTM) should be stopped to ensure open and fair competition and optimal value for money.
3. Overhaul the practices related to limited tendering methods (LTM), aligning them with the provisions of the Public Procurement Act of 2006.
4. To ensure open and fair competition and prevent potential collusions, procuring entities with a high incidence of single bidding should be subject to rigorous scrutiny by the relevant authorities.
5. All procuring entities as well as CPTU should attach high priority to adopt and enforce specific procedural measures to enhance competition.
6. The opportunity created by the e-GP system to promote a transparent, accountable fair, competitive and corruption-free procurement system should be regularly monitored and upgraded by implementing data-driven analysis for decision-making.

Annexure-1

Data Variables in each Contract

Contract Awards Details

- 1.Ministry/Division:
- 2.Agency:
3. Procuring Entity Name:
4. Procuring Entity Code:
5. Procuring Entity District:
6. Contract Award for:
- 7.Tender/Proposal ID:
8. Invitation/Proposal Reference No.:

KEY INFORMATION

9. Procurement Method:

FUNDING INFORMATION

- 10.Budget and Source of Funds:
11. Development Partner (if applicable):

PARTICULAR INFORMATION

- 12.Project/Programme Name (if applicable):
- 13.Tender/Proposal Package No.:
- 14.Tender/Proposal Package Name:
- 15.Date of Advertisement:
- 16.Date of Notification of Award:
- 17.Date of Contract Signing:
- 18.Proposed Date of Contract Start:
- 19.Proposed Date of Contract Completion:
- 20.No. of Tenders/Proposals Sold:
- 21.No. of Tenders/Proposals Received:
22. Tenders/Proposals Responsive:

INFORMATION ON AWARD

- 23.Brief Description of Contract:
- 24.Contract Value (Taka):
- 25.Name of Supplier/Contractor/Consultant
- 26.Location of Supplier/Contractor/Consultant
- 27.Location of Delivery/Works/Consultancy:
- 28.Was the Performance Security provided in due time?
- 29.Was the Contract Signed in due time?

ENTITY DETAILS

- 30.Name of Authorised Officer:
- 31.Designation of Authorised Officer: