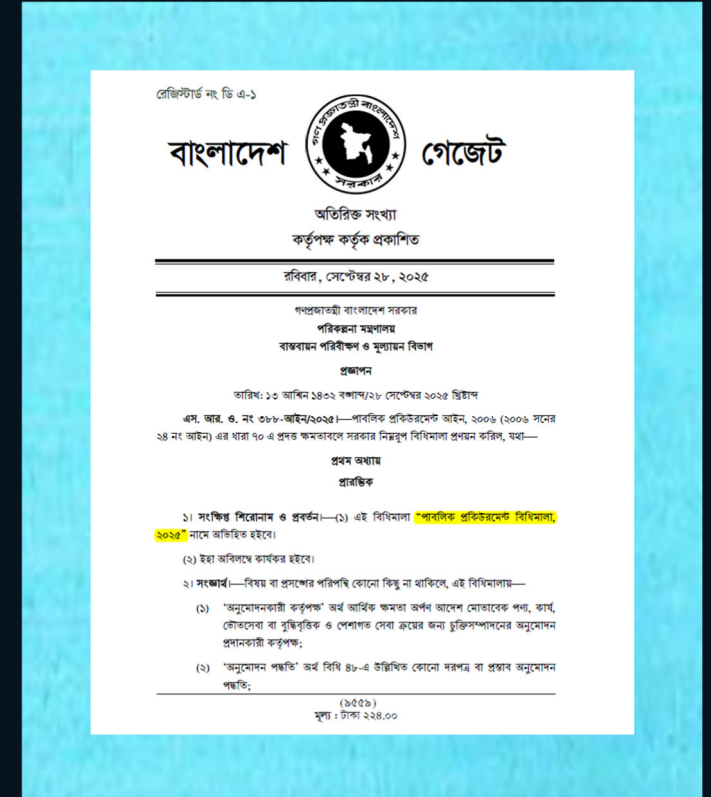


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A Brief Overview on Public Procurement Rules, 2025 (PPR, 2025)

S M Moin Uddin Ahmed
Chief Executive Officer,
Bangladesh Public Procurement Authority
(Secretary to the Govt of Bangladesh)



Public Procurement Legal Framework in Bangladesh

Public Procurement Act, 2006
[PPA, 2006]

Public Procurement Rules, 2025
[PPR, 2025]

Standard Procurement Documents

Recent Amendments in PP Legal Framework

Public Procurement (Amendment) Ordinance, 2025 was promulgated on 04 May, 2025 and made effective from 28 September, 2025.

Public Procurement (Amendment) Act, 2026 passed in the Parliament on 10 April, 2026 accordingly.

Public Procurement Rules, 2025 was made effective from 28 September, 2025.

Contexts behind these Legal Amendments

Alignment with amended legal provisions in the PPA, 2006.

Eliminating various errors, discrepancies, and inconsistencies observed in different parts of the Public Procurement Rules, 2008.

Modernizing the procurement regulations and aligning them as much as possible with international best practices

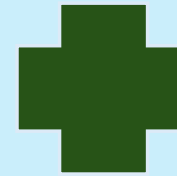
Salient Features of the PPR, 2025

(Through new inclusions or modifying the existing legal provision)

Additions in Principles of Public Procurement



- Transparency
- Accountability
- Equal treatment
- Open & Free Competition



- Value for Money
- Efficiency
- Integrity
- Quality
- Sustainability

New additions

Incorporation of the concept of 'Sustainable Public Procurement'



- BPPA will formulate a Sustainable Public Procurement Policy to ensure sustainable procurement, and accordingly, the procuring entity will carry out procurement activities where applicable.
- Provision has been made to incorporate terms and conditions into procurement documents that are consistent with the procuring entity's financial objectives, environmental impacts, and provisions related to workers' wages and associated social benefits, occupational health and safety, prohibition of child labor, etc.



Mandatory application of provisions related to 'Price Adjustment'

A mandatory provision for price adjustment has been included, following the formula specified in the tender document, for the implementation of any works or physical services contract that requires more than 18 (eighteen) months.

Inclusion of the concept of 'Advance Procurement'



- If the processing of any proposed procurement, which is yet to receive its final approval, is deemed necessary in the public interest, the Procuring Entity may, with the approval of the Head of the Procuring Entity, include such procurement in a special procurement plan and process it accordingly.
- However, a Notification of Award (NOA) for such procurement cannot be issued prior to getting the final approval.

Developing 'Procurement Strategy'



- A procurement strategy shall be formulated in the prescribed format taking into account the assessed requirements against market conditions, potential procurement risks, analysis of alternative solutions, the capacity of local Economic Operators, sustainability, the Procuring Entity's capacity, expected competition, etc.
- This strategy shall be incorporated into the project document, and the overall procurement plan for the said development project shall be formulated accordingly.

Inclusion of the concept of 'Early Market Engagement'



- For the purpose of formulating a procurement strategy, the procuring entity may take initiatives for **'Early Market Engagement'** with potential economic operators to stay informed about market conditions and the various solutions existing in the market.
- In such cases, provision has been made to invite potential bidders or economic operators by publishing a notice on the websites of the concerned agency and the BPPA, and subsequently organizing a **'Pre-Procurement Conference'** based on their interest, thereby allowing the opportunity to obtain inputs from potential bidders at the early stages of procurement.

Mandatory Use of e-GP



- All public procurement processes, eligible through the e-GP portal, must be conducted using electronic methods. In exceptional cases, if a procuring entity is unable to process a procurement using electronic methods, prior approval must be obtained from the BPPA.
- It has been made mandatory for all Procuring Entities (including those permitted to process procurement offline) and relevant authorities to formulate or update, approve, and publish separate **Annual Procurement Plans (APP) through the e-GP portal at the beginning of each fiscal year.**

Mandatory Use of e-GP



- The **e-CMS (Electronic Contract Management System)** module within the e-GP portal must be used for the electronic execution, administration, and management of contracts resulting from any tender process.
- Payments against procurement contracts shall be made through the government's financial information management system, i.e., **iBAS++ (Integrated Budget and Accounting System)**.

Rationalization of Procurement Timelines and Mandatory Compliance



- Every PE and other concerned entities have to mandatorily comply with the timelines mentioned in the **Schedule-6 of the PPR, 2025** while processing any procurement.
- Non-compliance with such timelines shall be monitored through the e-GP system.

Mandatory three-step notification process for disclosing contract award and signing details



Title of the Notice	Purpose of the Notice
Notification of Award (NoA)	To be issued solely to the successful bidder as a formal "Letter of Acceptance" of their offer (NoA).
Reporting of Contract Awarding	To be issued immediately after the issuance of the NoA, directed at all other bidders and stakeholders to disclose the results of the competitive process.
Reporting of Contract Signing	To be issued following the signing of the contract to disclose various contract-related details and information regarding the beneficial ownership of the economic operator.

Contract price
adjustment due to
changes in laws or tax
rates



In the event of a change in tax rates resulting from any law, rule, order, etc., pertaining to direct or indirect taxes (Income Tax, VAT, Customs Duty, etc.), the contract price shall be revised (increased or decreased) with the approval of the Head of the Procuring Entity, such that the net amount receivable by the Economic Operator remains unaffected by the said legal change.

Integrating social elements into Public Procurement.



- To comply with the social elements of Sustainable Public Procurement, a Procuring Entity shall limit specific procurement activities—up to a minimum of 25% of its operational budget and as feasible for the development budget—exclusively to Micro and Small Enterprises (MSE), Women-owned Enterprises (WoE), and New Enterprises (NE).
- The procuring entity shall be required to maintain a separate list of potential bidders under the heading of **‘Social Procurement Category’** during the registration/enlistment process.

Integrating social elements into Public Procurement.



- **Micro and Small Enterprise:** Individuals or entities that have been awarded contracts with a cumulative value of up to a maximum of 10 million (1 crore) Taka in the 3 (three) years preceding the date of the tender invitation, regardless of the type of procurement under these regulations.
- **Women-owned Enterprise:** Sole proprietorships where the owner is a woman.
- **New Enterprise:** Individuals or entities that have obtained their first business registration within the 2 (two) years preceding the date of the tender invitation.

Expanding the scope of Framework Agreements.



- To avoid repetitive tendering and to obtain better value from an economic perspective, Framework Agreements may be executed under Section 36 of the PPA 2006 for the procurement of goods, general works, recurring physical services of the same nature, or repetitive consultancies that are frequently required for a specific period.
- Subsequently, there is the opportunity to execute procurement by issuing 'Call-off orders' at specified intervals or as per the requirements of the Procuring Entity to conclude contracts.

Debarment from Procurement Participation.



- A Procuring Entity may impose a debarment on an individual (or entity) from participating in procurement activities for a period of up to two years under two specific circumstances: in the event of observed professional misconduct or the termination of a contract due to a breach of its fundamental conditions.
- If an individual or entity is debarred by any agency under public sector, it shall be considered ineligible to participate in procurement activities across the entire public sector.

SUSPENDED

Imposing temporary
suspension on
participation in
procurement

- Under the provisions of PPR 2025, while the process of declaring any individual, contractor, supplier, service provider, or consultant ineligible (debarment) to participate in procurement activities is underway, the concerned procuring entity may impose a temporary suspension on their participation in its procurement activities immediately upon initiating such proceedings.
- Provided that, the matter of **debarment must be finalized within 42 (forty-two) days from the date of imposing the temporary suspension**; otherwise, the suspension shall become ineffective immediately after the expiry of said period.

Cross Debarments aligned with the DPs



In complying with the code of ethics, any tenderer shall provide a guarantee (assurance) that they are not currently subject to any debarment from participating in procurement activities by any development partner operating in Bangladesh due to any procurement-related reasons

Provision for an appeal
mechanism against
debarment decisions
through the Debarment
Review Board



In the event that an individual, contractor, supplier, service provider, or consultant is aggrieved by a debarment decision issued by a procuring entity, they may file an appeal to a '**Debarment Review Board**'—constituted of three experts in accordance with the **provisions described in Schedule-21 of the PPR 2025.**

The Flagship Change

Adopting SLT (Significantly low- priced Tender) Identification Process



Significantly Low-priced Tender (SLT) refers to a tender where the bidder has offered a price and other components so low—when compared to the official estimated cost of the procurement, recent market prices, and the prices offered by other responsive bidders—that it creates serious concern for the procuring entity regarding the bidder’s ability to perform the contract at the offered price.

The Flagship Change

Adopting SLT
(Significantly low-
priced Tender)
Identification
Process



Mathematical Formulae:

$$\bar{x} = 0.5 * \sum_{i=1}^n x_i \frac{1}{n} + 0.2 * x_{OCE} + 0.3 * x_{NPPI}$$

where

\bar{x} = Weighted Average,

x_i = Prices of Responsive Tenderers,

n = Number of Responsive Tenderers,

x_{OCE} = Official Cost Estimate, and

x_{NPPI} = Price Index for 28 days in public procurement processes on the e-GP portal

Adopting SLT
(Significantly low-
priced Tender)
Identification
Process



Then, the Weighted Standard Deviation of the prices paid by all accepted tenders must be determined, the formula of which will be:

Weighted Standard deviation,

$$S_d = \sqrt{\frac{\sum_{i=1}^n (\bar{x} - x_i)^2}{n}}$$

Finally, the lower limit of the acceptable price shall be $[\bar{x} - S_d]$. All tenders priced below this threshold shall be considered significantly low-priced, and all such tenders shall be deemed rejected.

Way Forward



- To provide necessary support, guidance, monitoring, and evaluation to procurement personnel at various levels of the organization, the **Head of the Procuring Entity shall establish a Strategic Procurement Unit (SPU) within their office.**
- **Provisions have been made to establish similar procurement units or branches in ministries or divisions as well, to fulfill the objectives of the PPA.**
- BPPA shall establish an **Institute of Public Procurement (IPP)** for the purpose of enhancing the capacity and professional development of procuring entities and other personnel in procurement management.

Way Forward



- **Development of e-GP Version 2.0** to facilitate the application of **Artificial Intelligence (AI) and Machine Learning** in public procurement.
- Implementation of **the Sustainable Public Procurement Policy (SPPP)**.
- Taking effective initiatives to **enhance the professional capacity of bidders and economic operators**.



Thanks for your patience