

American Journal of Supply Chain Management (AJSCM)



Comparing the Efficiency of Manual and Electronic
Tender Document Preparation: Cost and Time Context

Md. Abdur Rashid and Mohammad Shorif Uddin



Comparing the Efficiency of Manual and Electronic Tender Document Preparation: Cost and Time Context

Md. Abdur Rashid^{1*} and Mohammad Shorif Uddin²

¹Bangladesh University of Professionals, Dhaka, Bangladesh.

ORCID ID: 0000-0001-8311-2363

²Department of Computer Science and Engineering, Jahangirnagar University, Savar, Bangladesh.

ORCID ID: 0000-0002-7184-2809

*Corresponding Author: rashid.eee.cse@gmail.com

Abstract

Purpose: In Bangladesh, Both manual and the e-GP system is used to perform public procurement. Before tender publication, tender documents have to be prepared by the procurement entities (PE). The problem is that the manual tendering system involves more cost and time in preparing tender documents. The study's purpose is to compare now the efficiency of tender document preparation in manual system with the e-GP system. This study tests the cost and time involved in tender document preparation, both manual and e-procurement tenders.

Methodology: Sample data was collected from the 11 RHD zones. Structured survey questionnaires were used to collect primary data from the PE officers of RHD. A hypothesis test was performed using the model of independent samples t-test.

Findings: The test results indicated that e-Procurement tender document preparation costs and time were less than manual tendering. Academicians, researchers, PE officers and policymakers will benefit from the study's conclusions.

Keywords: *Tender document preparation cost, Tender document preparation time, eProcurement, t-test, e-GP system, Public procurement, RHD.*

INTRODUCTION

Electronic Government Procurement (e-GP) was formed in 2011 in response to a World Bank report (World Bank, 2002) urging Bangladesh to increase the efficacy, credibility, and transparency of all public procurement. The e-GP system is currently operational. However, procurement entities (PE) and all bidders continue to face issues (Akando, 2016; Marcella, 2006), and assessments have yet to be completed following the deployment of the e-GP system. The study's purpose is to see if the cost and time of preparing e-tender documents are cheaper than that of preparing manual tender documents.

Problem Statement

During the tender procedure cycle, the tedious duty at the PE office is preparing standard tender documents (STD). Tender proposals cannot be published until the standard tender documents are completed. Tender documents are formal paperwork that contains the many points that PE officers must fill out. In a manual tender system, preparing tender documents requires more time and cost. In addition, PE officers may not be interested in creating the document. As a result, the tendering process is delayed.

Study Rationale

'To compare the procurement efficiency of the RHD development project's manual and eProcurement tenders,' was one of the study's objectives. It's now time to assess the expenses and effort required in preparing tender materials. It will be demonstrated that e-procurement systems are in a better position to create tender documents. Primary data collected from the RHD field level is used to prove a point via a hypothesis test. This encourages PE officials in RHD to use the e-Procurement system. This study's original use is to demonstrate the effectiveness and efficiency of Bangladesh's e-procurement system. PE officers will be more aware of manual tenders as a result of the study's findings, and will be motivated to use the eprocurement system more.

RELATED LITERATURE Tender Document Preparation

Tender documents must be prepared whenever the procurement organization has decided to procure goods, works, or services. This tender document is the paper written by a procurement entity's need or desire. The size of the tender document, or the number of pages, is determined by the type of procurement and the contract's total value. The Standard Tender Document (STD) can be downloaded from the CPTU website and then customized for each procurement entity. Tenderers must purchase the STD after the tender notice is issued. Tenderer decides to submit a bid after studying all PE requirements and specifications in the STD.

Standard Tender Documents

"Tender document or request for proposal document" refers to the document issued by the PE to the tenderer or consultant to review and fill out in preparation for submitting a tender or proposal (IMED Proggapon 2011). The Procuring Entities (PE) provides a particular tender form (Dream Civil 2022) at the regular cost. The contract conditions and any relevant requirements are printed in this tender form. Tender documents include detailed specifications for the expected goods or services. The PE offices must complete separate Standard Tender Document (STD) forms (CPTU 2022) for Goods, Works, and Services. Each STD form has a unique code. Tender document preparation costs and time involved are higher in the manual

tendering approach. On the other side, tender document preparation costs and time involved are lower in the e-GP system.

RESEARCH METHOD

This section intends to explain the study methodology i.e. data collection techniques and related issues.

Research Design and Data Collection Techniques

The study's goal was to "compare the procurement efficiency of the RHD development project between traditional purchase and e-Procurement purchasing." The RHD in Bangladesh was used to collect the primary data. RHD was chosen because it has been one of the largest departments actively using e-GP for procurement as a pilot basis since 2011 when the system was implemented in Bangladesh. This survey uses structured questionnaires to obtain primary data in order to achieve the study's purpose. The primary data in this study comes from RHD PE officers who are active in the manual and electronic procurement systems.

Target Population

The population was RHD PE officers. Data were collected during visits to the RHDs of multiple procurement entity (PE) offices in Bangladesh. Bangladesh's RHD was studied throughout 11 zones, 31 circles, and 70 divisions. The survey used a stratified sample method to select e-Procurement-related PE officers in RHD. The total respondent sample size for the survey question on the cost and time involved in tender document preparation was 70 PE officials in RHD.

Validity and Reliability

A pilot study was done with select PE officers in RHD to determine the instrument's reliability. Instruments were finalized and used for data collection after receiving comments from the pilot study. This assured the integrity and reliability of the data.

Data Analysis

SPSS software was used to enter and analyze the primary data. Because SPSS is one of the top data analysis and inference software. To compare data and test hypotheses from two groups, the independent samples t-test was performed.

Ethical Considerations

The researcher conducted the questions after obtaining approval by the PhD supervisor. Before questioning PE officers, a formal consent was obtained from the Chief Engineer of the RHD in Bangladesh. These PE officers were part of RHD's e-procurement system. Respondents were told that they had the right to refuse to participate in the participation in the study. Respondents were assured that their responses would only be used for research purposes. Anonymity was promised. There were no interviews conducted that were not related to the e-procurement system.

RESULTS AND DISCUSSION

The findings and their interpretation and analysis are based on primary field data collected in accordance with the study's objectives. SPSS software was used to conduct the analysis. In the context of tender document preparation cost and time, a T-Test is used to compare procurement efficiency between manual and e-Procurement. PE officers in RHD were the respondents.

Tender Document Preparation Cost

The independent samples t-test compares two groups on a continuous normally distributed variable's mean. Here, Test Variable(s) i.e. two independent variable(s) are E-tender documents preparation cost (after e-GP system) and manual tender documents preparation cost (before eGP system) whose means have been compared between the two groups.

Let consider, Null hypothesis $H_0: \mu_1 = \mu_2$

Alternative hypothesis $H_a: \mu_1 \neq \mu_2$ μ_1 = population means for tender

documents preparation cost for e-tender μ_2 = population means for tender

documents preparation cost for manual tender

Significance level $p = \alpha = 0.05$

Confidence interval level = 95%

T-Test result

Table 1: Group statistics for tender document preparation cost

Group Statistics					
	Tender Type	N	Mean	Std. Deviation	Std. Error Mean
	E-tender Taka	69	475.3623	798.41862	96.11831
	Manual	69	7089.1304	8637.19670	1039.79629

Source: Researcher's Field Survey, 2020

Table 1 show that average tender documents preparation cost, i.e. mean value for e-tender cost and manual system cost, are taka 475.3623 & 7089.1304, respectively.

Table 2: Comparing tender document preparation cost

Independent Samples Test					
Levene's					
		Sig		Lower	Upper
Taka	Equal variances assumed	.000 - 136	.0 - 1044.229 -	-	-
		6.334	6613.768 41	8678.795 2	4548.7409
	Equal variances not assumed	- 69.162	.0 - 1044.229 -	-	-
		6.334	6613.768 4	8696.861 7	4530.6745

Equality of Variances **t-test for Equality of Means**

F	Sig.	t	df	-tailed	Mean	Difference	Std. Error	95% Confidence
Test for								Interval of the
								Difference

Source: Researcher's Field Survey, 2020

Table 2 observed from Levene's test that the F value is 50.799 & its Sig. value is 0 .000. Here, the sig value (.000) is less than the p-value (0.05), i.e., significant. This indicates that equal variances are not assumed here and rely on the second row of output. The second-row t value is -6.334, negative, left tailed & the Sig. (2-tailed)/2 = 0.000/2 = 0.000. Here, the sig value is less than the p-value, which is significant. This indicates that the Null hypothesis H_0 is rejected & alternative hypothesis H_a is accepted, i.e. $\mu_1 \neq \mu_2$.

Tender Document Preparation Time

The independent samples t-test was done to test compares two groups on the mean value of a continuous normally distributed variable. Here, Test Variable(s) i.e. two independent variable(s) are: E-tender tender document preparation time (after e-GP system) and manual tender document preparation time (before e-GP system) whose means have been compared between the two groups.

Let consider, Null hypothesis $H_0: \mu_1 = \mu_2$ Alternative hypothesis $H_a: \mu_1 \neq \mu_2$ μ_1 = population means for tender document preparation time for e-tender μ_2 = population means for tender document preparation time for manual

Significance level $p = \alpha = 0.05$

Confidence interval level = 95%

T-Test result

Table 3: Group statistics for tender document preparation time

Group Statistics					
	Tender Type	N	Mean	Std. Deviation	Std. Error
Days	E-tender	70	2.7650	5.64647	.67488
	Manual	70	7.2571	5.26318	.62907

Source: Researcher's Field Survey, 2020

The average tender document preparation time, i.e. the mean value for e-tender time and manual system time, is 2.7650 & 7.2571 days, respectively, according to group statistics in table 3.

Table 4: Comparing tender document preparation time

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
Days		Sig.	F	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference
Equal variances assumed	Lower	.015	.901	-4.869	138	.000	-4.49214	.92260	-6.31641
	Upper								-2.66788
Equal variances not assumed	Lower			-4.869	137.324	.000	-4.49214	.92260	-6.31649
	Upper								-2.66780

Source: Researcher's Field Survey, 2020

Table 4 observed from Levene's test that the F value is .015 & its Sig. value is 0 .901. Here, the

sig value is bigger than the p-value (0.05), i.e., insignificant. This indicates that equal variances are assumed here and rely on the first row of output. The first-row t value is -4.869, negative, left tailed & the Sig. (2-tailed)/2 = 0.000/2= 0.000. Here, the sig value is less than the p-value, which is significant. This indicates that the Null hypothesis H_0 is rejected & alternative hypothesis H_a is accepted, i.e. $\mu_1 \neq \mu_2$.

CONCLUSION

The study's findings are based on data collected from Bangladesh's RHD population. A structured questionnaires were developed in accordance with research methodology and with the study's objectives in mind. Eleven RHD zones were used to collect data. The Independent Sample t-test was used analyze survey sample data using SPSS software. The researcher analyzes data in order to determine the procurement efficiency in the tender document preparation of manual and e-procurement for the RHD public procurement context of time and cost. The efficiency of a manual tender vs. an e-procurement tender as compared to tender documents preparation by the RHD bidders.

The average tender document preparation cost of a PE officer, i.e. the mean value for e-tender cost and manual system cost, is taka 475.3623 and 7089.1304, respectively. This suggests the cost of e-tender tender document preparation is less than the cost of manual tender document preparation. The average tender document preparation time, i.e. the mean value for e-tender time and manual system time, is 2.7650 and 7.2571 days, respectively. So tested that etender document preparation time is less than the manual method. Independent sample t-test results for tender dropping cost and time revealed that the sig value=0.00, which is smaller than the p-value, which is significant. This means the null hypothesis H_0 has been rejected and the alternative hypothesis H_a has been accepted. In comparison to a manual tender system, the Ttest model fit and ensured less cost and time in the e-procurement tender document preparation.

REFERENCES

- Akando (2016). *Challenges and Prospects of e-Procurement in Bangladesh: A Study on Roads and Highways Department*. [Online] Available at: http://dspace.bracu.ac.bd/xmlui/bitstream/handle/10361/6516/14272015_MAGD.pdf?sequence=1&isAllowed=y [Accessed 1 March 2019].
- CPTU (2022). Standard Tender Documents [Online] Available at: <https://cptu.gov.bd/standard-documents/standard-tender-document.html> [Accessed 30 March, 2022].
- Dream Civil (2022). E-tender Process [Online] Available at: <https://dreamcivil.com/tenderpreparation/> [Accessed 31 March, 2022].
- IMED Proggapon (2011). Bangladesh e-Gp Guideleine [Online] available from: https://www.eprocure.gov.bd/help/guidelines/eGP_Guidelines.pdf [Accessed 2nd February 2022], p 1979
- Marcella (2006). e-Procurement overview. *Marcella Corsi Università. "La Sapienza". di Roma*. January 2006, pp. 1-9.
- World Bank (2002). *Bangladesh Country Procurement Assessment Report*. World Bank. Report No. 24144-BD. May 11. Washington DC.