



NRECA International Ltd.

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Rural Electrification Development Program (REDP)

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ABBREVIATIONS

BPDB	Bangladesh power development board
BSTI	Bangladesh Standards and Testing Institute.
CAP	Country assistance plan (DFID)
CFR	Carriage and Freight (Incoterm)
CIF	Carriage Insurance and Freight (Incoterm)
CPT	Carriage Paid To (Incoterm)
DFID	Department for International Development
GBP	Pound (Sterling)
GOB	Government of Bangladesh
IPP	Independent power producer
MDG	Millennium development goals
MIS	Management Information system
MOF	Ministry of finance
MPENR	Ministry of power, energy and mineral resources
MW	Megawatt (1000 kW)
NGO	Non-governmental organisation
NRECA	National rural electrification cooperative association
PBS	Palli bidyut samabay samity (Rural Electricity Cooperative)
PDB	Power Development Board
PKSF	Palli karma sahayak foundation
PPR	Public Procurement Regulations
REB	Rural electrification board
REDP	Rural Electrification Development Program
TOR	Terms of Reference.
USD	United States Dollar
USAID	United States Agency for International Development

SUMMARY

During the period July through September 2006, excellent progress was made towards effecting the materials procurement component of REDP.

Following considerable discussion with REB during the period, agreement was reached on commercial and technical conditions considered necessary for improving bidding competition.

Sales of bid documents for REDP materials procurement commenced on 02 September 2006. Bid opening dates are 16 October 2006 and 18 October 2006.

Estimated value of the first round of REDP materials procurement is USD 32 million.

Consecutive to bid opening on 16 and 18 October 2006, evaluation of bids by REB will follow during October and November 2006.

NRECA will concurrently review the bid evaluation process, making appropriate comments with reporting.

Member Awareness Education and Board Development program commenced during this period with field visits to PBS to enable interviews with directors, staff and members. Curriculum development will follow from the information gathered during the field visits.

Principal achievements during the period were:

- REB commencing sales of bid documents for first tranche of 9 PBS materials procurement.
- REB commencing sales of bid documents for 67 PBS materials procurement.
- Scheduling of second tranche materials procurement for 9 PBS.
- Obtaining REB master plans for 6 PBS.
- Commencement of field visits to PBS for Member Awareness Education and Board Development training.
- Curriculum development of for Member Awareness Education and Board Development training.

As commencement of materials delivery is unlikely before July 2007 and start of construction work improbable before early 2008, minimal work has been done during this period on materials usage monitoring.

Again, secondary consideration was given during this period July through September 2006 to initiating the Socio economic survey. During the next quarter a consulting company will be selected and contracted to commence implementation of the socio economic study.

SECTION 1: INTRODUCTION

1.1 Background to the Rural Electrification Development Program (REDP).

The overall programme cost is £161 million. The GOB will contribute £122 million through the Annual Development Programme (ADP), and DFID will contribute £38 million for investment components to REB through the Ministry of Finance. The remaining DFID funds will be used for microfinance (£10 million), management, supervision and monitoring (£1 million), and education and awareness building (£1 million). Disbursement procedures accord with existing rules to fund GOB agencies, donors and NGOs. The full cost of operation, maintenance and asset replacement will be met through user charges.

REDP represents a five-year DFID commitment of up to £50 million to increase the provision of electricity in rural and peri-urban areas of Bangladesh. This will be achieved through a package of financial support for electricity network expansion and intensification within the Second Rural Electrification Master Plan (2000-2020). The program will provide 1.35 million new electricity connections to households and rural businesses, directly benefiting up to 10 million people. A microfinance component is included to enable poorer households and small businesses to cover the connection charge and develop new income earning opportunities. If successful, the program will supply electricity to up to 20% of the unconnected rural population.

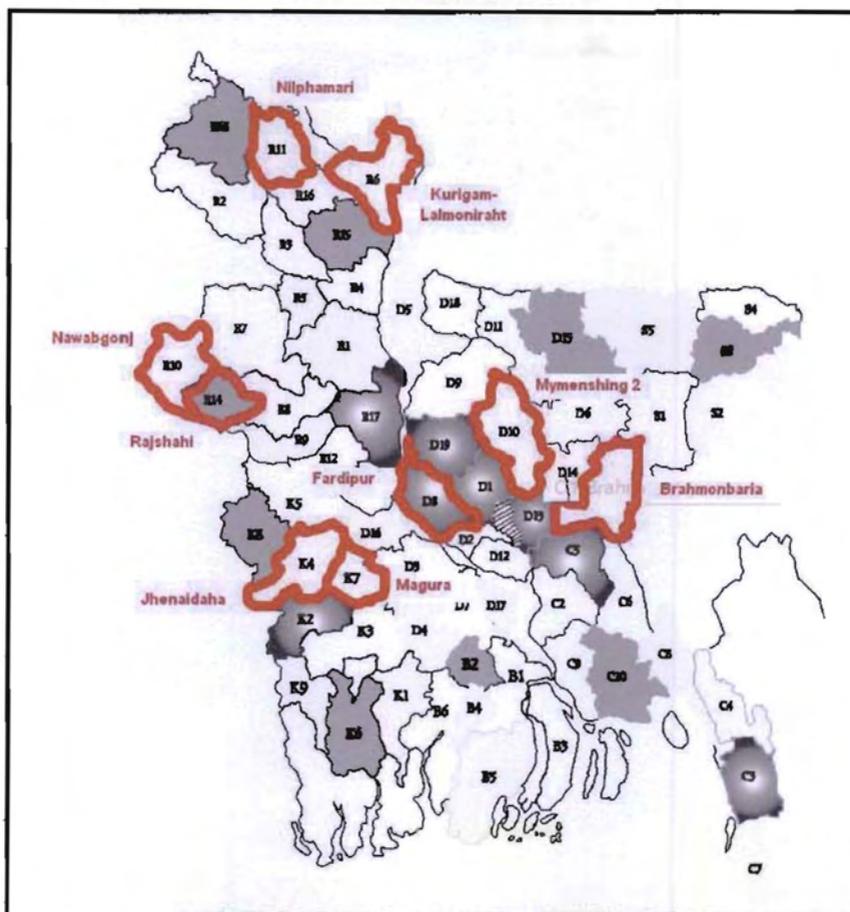
DFID will support three investment components of the REB Master Plan. This will involve a mixture of grid expansion (sub-transmission, mainly 33 kV electrical lines), which is expensive but essential, and intensification, which is less costly, but connects large numbers of customers to existing infrastructure. DFID will pay for the foreign exchange elements, which are heavier in main grid expansion than intensification work; the Government will pay for local costs. These components are the main immediate priorities of REB for investment. While DFID is seeking to enhance the poverty impact of the programme, our approach is to support the overall REB Master Plan, not 'cherry-pick' specific sub projects.

First, a major expansion of the main distribution infrastructure backbone in 9 PBS will be supported. The total investment cost of this component is £27 million, with which 8,000 km of new line will be constructed and 2,000 km renovated. These PBS were established by the REB in the mid to late 1990s and have received little additional investment since that time. They are all located in more remote, poor areas of Bangladesh. DFID support will enable additional villages to be connected to the rural grid, together with an increase in the number of connections (intensification) through the construction of new spur lines from the existing backbone within these nine PBS. The cost of intensification is relatively modest, and will enable 250,000 poor households and a large number of enterprises located near the backbone grid to be connected. This component will account for approximately 71% of the project's total investment package.

Second, DFID will support intensification in 56 existing PBS, at the cost of £8 million. This will involve the construction of one and two pole lines from existing lines, linking households and enterprises located near the backbone grid. It will connect 1,000,000 new consumers with a relatively low investment. This component will account for approximately 21% of the project's total investment package.

Third, the investment package will provide some support to the expansion of the main backbone infrastructure and intensification in 67 PBS. DFID will be funding only the poorer PBS with lower revenue generation potential. The investment cost of this component is £3 million. This component will connect 100,000 households and a number of businesses in more remote locations. This component will account for approximately 8% of the project's total investment package.

1.2 9 PBS Receiving Principal Support from REDP



Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population	Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population
Rajshahi	Boalia	Rajshahi	96.68	-	294056	Nawabgonj	Bholahat	Nawabgonj	123.52	91	70507
	Durgapur	Rajshahi	195.03	122	137640		Gomestapur	Nawabgonj	318.13	235	191972
	Godagari	Rajshahi	472.13	396	217811		Nachole	Nawabgonj	283.68	190	97119
	Mohanpur	Rajshahi	162.65	154	128396		Nawabgonj	Nawabgonj	451.80	192	389524
	Paba	Rajshahi	280.42	261	213379		Shibgonj	Nawabgonj	525.43	367	422347
Brahmanbaria	Tanore	Rajshahi	295.39	207	138015	Mymensingh-2	Bhaluka	Mymensingh	444.05	102	264991
	Akhaura	Brahmanbaria	99.28	125	112982		Gafargaon	Mymensingh	401.16	218	379803
	Banchharampur	Brahmanbaria	217.38	118	258371		Trishal	Mymensingh	338.98	160	336797
	Brahmanbaria	Brahmanbaria	495.85	398	659449	Sreepur	Gazipur	465.24	186	320530	
	Kashba	Brahmanbaria	209.76	236	243833	Magura	Magura	Magura	406.50	252	286925
Nabinagar	Brahmanbaria	353.66	198	378539	Mohammadpur		Magura	234.29	182	160340	
Nasimagar	Brahmanbaria	311.66	129	234090	Shalikha		Magura	228.64	118	132291	
Jhenaidah	Sharail	Brahmanbaria	239.52	146	254481	Faridpur	Sreepur	Magura	179.18	160	144471
	Harinakunda	Jhenaidah	227.19	129	162078		Alfadanga	Faridpur	136.00	118	90873
	Jhenaidah	Jhenaidah	467.75	283	333192		Bhanga	Faridpur	216.34	227	214702
	Kaligonj	Jhenaidah	310.16	196	219126		Boalmari	Faridpur	272.34	255	190159
	Kotchandpur	Jhenaidah	165.66	79	107193		Char Bhadrason	Faridpur	141.59	129	69876
Kurigram	Maheshpur	Jhenaidah	418.96	194	246350	Faridpur	Faridpur	407.02	298	335386	
	Shailkupa	Jhenaidah	373.42	258	293341	Madhukhali	Faridpur	230.20	238	165438	
	Bhurungamari	Kurigram	236.00	124	176822	Nagarkanda	Faridpur	379.02	335	267193	
	Chilman	Kurigram	224.97	152	100516	Sadarpur	Faridpur	290.21	287	172059	
	Fullbari	Kurigram	163.63	165	129668	Nilphamari	Dimla	Nilphamari	327.00	58	160000
Kurigram	Kurigram	276.45	256	217311	Domar		Nilphamari	251.00	47	152000	
Nageshwari	Kurigram	415.30	367	279775	Jaldhaka		Nilphamari	326.00	77	199000	
Rajarhat	Kurigram	166.23	180	158648	Kishoreganj		Nilphamari	265.00	130	202000	
Ullipur	Kurigram	504.19	418	345205	Nilphamari		Nilphamari	351.00	107	242000	
Total Area (Square km)	15,371										
Total Population	11,696,570										

1.3 Scope of Services

NRECA have been contracted through USAID to provide project technical oversight, monitoring and impact assessment of REDP. An education program for members of Cooperatives also forms part of the scope of services.

Principal elements of the NRECA scope, over a five year timescale, are:-

- Review and monitoring of REB procurement process for DFID funded REDP materials.
- Review and monitoring of REDP project materials selection.
- Review and monitoring of REB DFID funded materials bid evaluation and subsequent contract placement.
- Monitoring usage of materials funded by DFID for REDP.
- Effect a socio economic survey to establish benefits of REDP.
- Effect an education program for new PBS members and elected Directors to improve Cooperative participation and accountability.

1.4 Objectives

Primary objectives of the NRECA input to the project are:

- To verify materials selection by REB is consistent with REDP requirements.
- To assist REB with materials procurement process and to verify or otherwise compliance with GOB Public Procurement Policy 2003.
- Reporting on REB compliance with REDP and GOB requirements.
- To monitor and substantiate usage of REDP materials is in accordance with REB masterplan and REDP investment requirements.
- Regularly reporting on progress of REDP.
- Establish baseline socio economic data for REDP areas.
- Effect socio economic surveys within REDP areas midway and on completion of REDP.
- Provide socio economic reporting on influence of REDP.
- Establish and effect an education training program for new PBS members and directors.
- Reporting on membership education and training program.

1.5 Project Team

As of 30 September 2006, NRECA project team in Bangladesh for REDP comprises:

<u>Person</u>	<u>REDP Duties</u>
Jim Ford	NRECA Country Representative
John Cook	Project Engineer
Maruf Hasan Bhuiyan	Utility Engineering Specialist
Narayan Chandra Saha	Education and Training Specialist
Brigadier (rtd) M A Malek	Local Management Specialist

To further strengthen the materials procurement monitoring and subsequent materials usage monitoring, an additional local engineering specialist, Md Abdus Salam, is anticipated to be directly contracted to NRECA during the latter part of 2006.

Local consultant, Tawheed Reza Noor, will also be contracted during October 2006 to manage the socio economic survey.

SECTION 2: KEY ISSUES.

2.1 Background

As indicated in the previous quarterly report for April through June 2006, shortage of power, particularly at peak demand periods, continues to result in significant load shedding and consequent difficulties for all PBS.

As no new major generation projects are currently being effected or contracted, severe power shortages will persist for the duration of REDP.

Prices of commodities such as copper, aluminum and steel reduced during the period but remain much higher than 2005 values.

Much of the work effected by NRECA on the materials procurement aspect of REDP has concentrated on attempting to foster more competition from potential national and international bidders. A recent REB materials procurement exercise funded by Netherlands government indicated competition was less than would normally be hoped from international bidders. Likewise international bidding competition for REDP materials was correspondingly unresponsive.

These key issues are discussed in greater detail below and also in the section related to procurement.

2.2 Power Shortage

Shortage of sufficient power generation continued to result in severe restrictions to the amount of power made available to PBS. The power shortage is, as might be expected, particularly acute between the peak demand times of 1700 hrs and 2300 hrs.

An unsurprisingly perceived inequality in the distribution of available power throughout Bangladesh led to REB and all other interested parties meeting with GOB State Minister for Ministry of Power Energy and Mineral Resources. Resulting from this meeting came an agreement to equitably share available power according to substation demand. Control of power allocation was agreed to be primarily a responsibility of PDB load dispatch center.

This agreement may in the short term alleviate an impression of unfair treatment in some of the less wealthy PBS. However, a more even handed treatment of allocating available power will not in itself make any difference to the quantity of power available.

Over the coming months, local circumstances are likely to influence a reversion to allocating power by political or financial authority.

As no new major power generation projects are presently contracted, power shortages will continue to increase over the next three to four years until new power generation is commissioned.

PBS obtain their income from selling electricity. The difference between purchasing cost and selling price provides the income to operate and maintain a PBS.

Addition of even more distribution system without a commensurate increase in sales of electricity will exacerbate an already challenging economic situation.

Those PBS with a predominantly low income domestic customer base, particularly the 9 PBS supported by REDP, will be increasingly unable to adequately cover their operating costs and will become more indebted to REB.

Public discontent with the worsening power supply situation towards the latter end of this period is apparently leading to physical abuse of many PBS staff whilst going about their duties.

Illustration 2.2.1

Shows average of peak hours (1700hrs through 2300hrs) demand and peak hours supplied to 9 PBS during week commencing 21 August 2006.

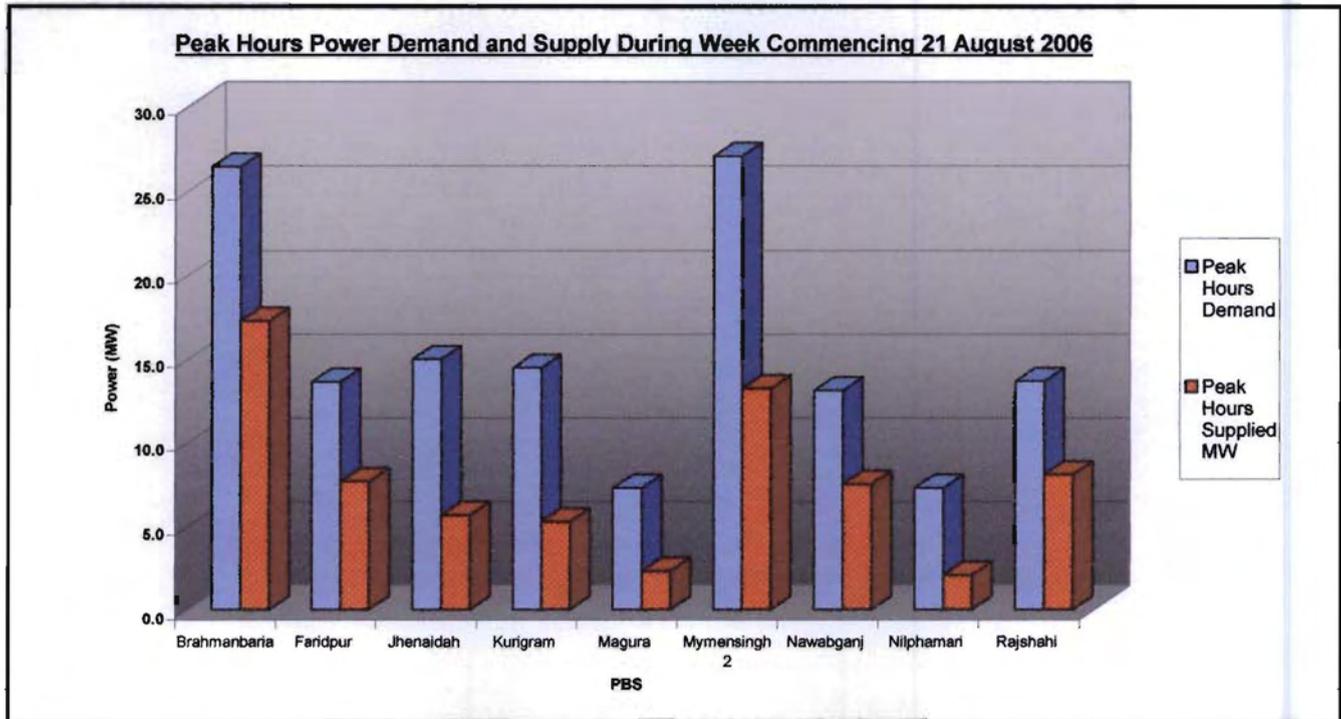


Illustration 2.2.2

Shows average of demand and supply over 24 hour periods to 9 PBS during week commencing 21 August 2006.

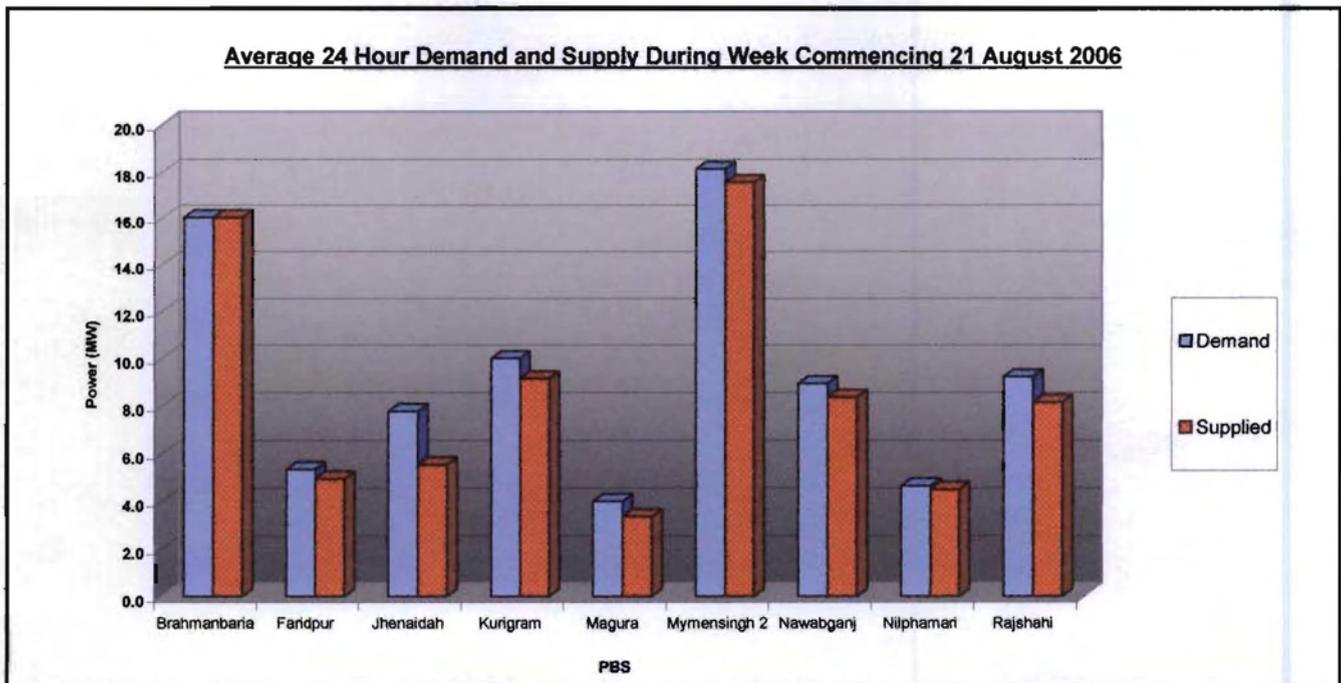


Illustration 2.2.3

Shows average of peak hours (1700hrs through 2300hrs) demand and supply to 9 PBS for September 2006.

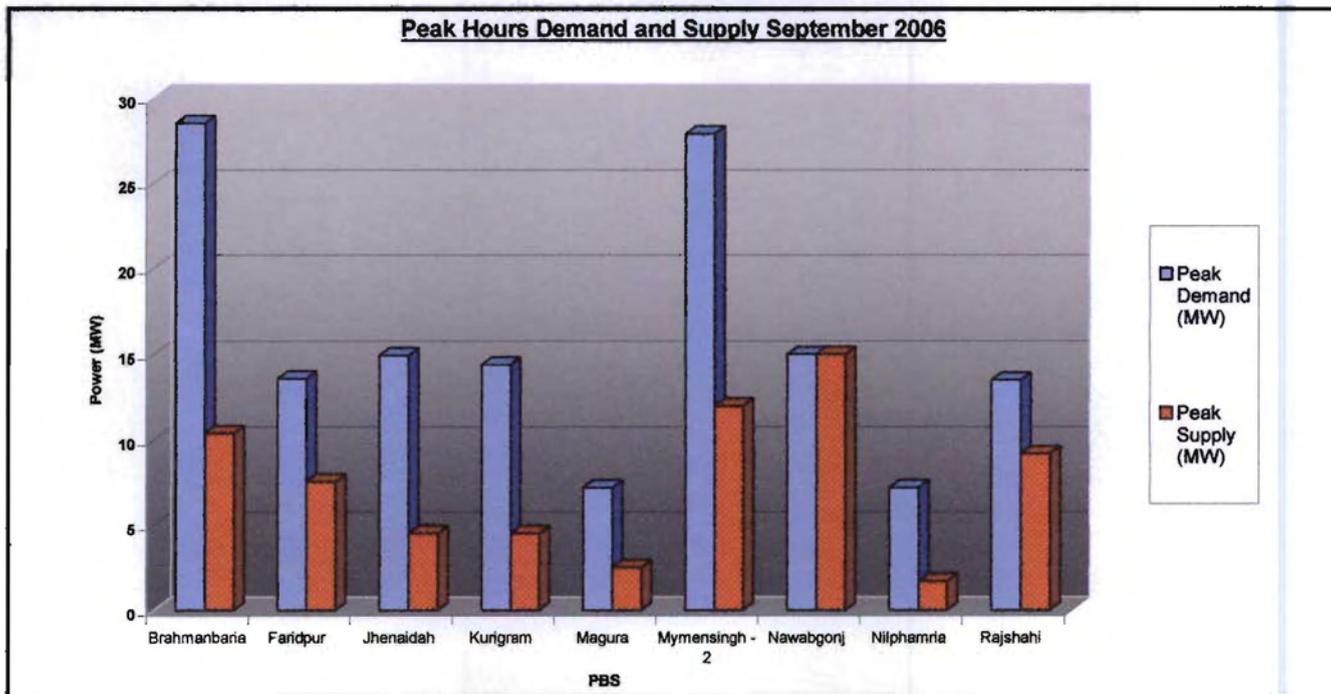
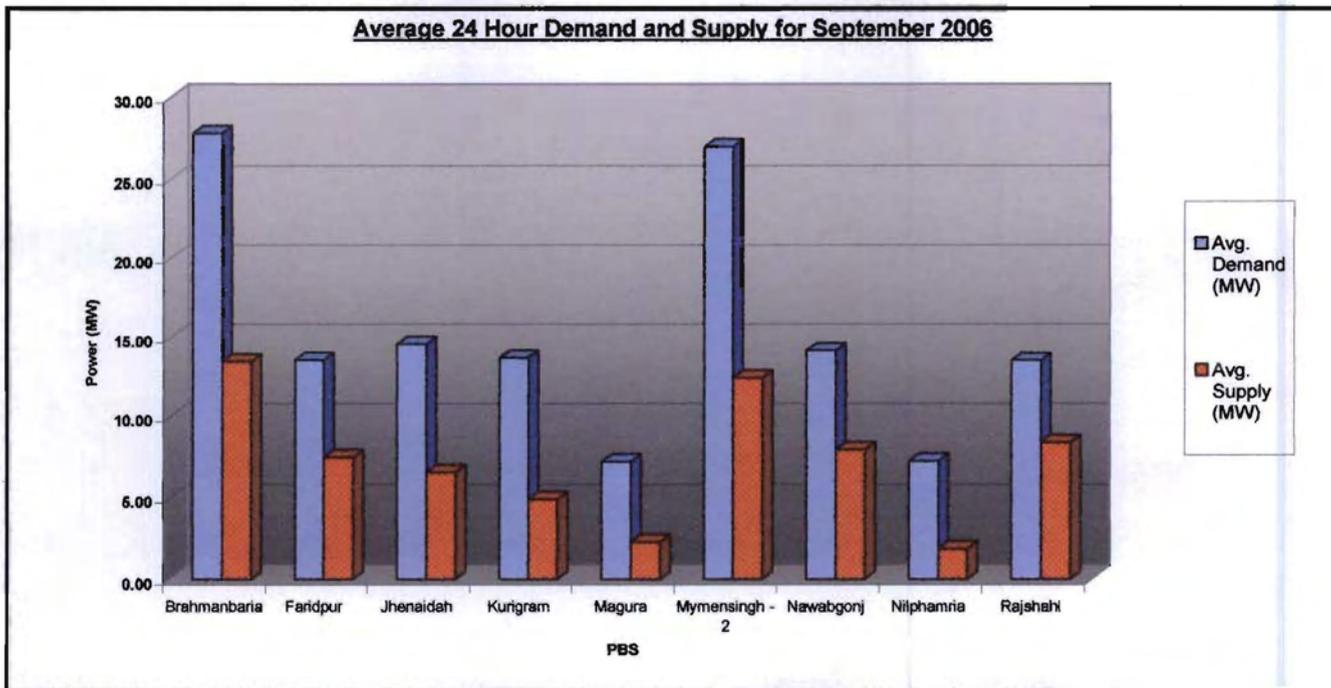


Illustration 2.2.4

Shows average of 24 hours demand and supply to 9 PBS for September 2006.



2.3 Commodity Prices

As indicated in the previous quarter report, REB originally calculated required REDP funded material quantities on the basis of prices from early in 2005.

Since 2005, copper, aluminum, steel and plastics prices have risen sharply, albeit with considerable fluctuation to a peak in May 2006. As transformers, overhead line conductor and service drop wires comprise in the main of these materials, prices for the finished articles have also commensurately increased. Should commodity prices continue to fall as is apparently anticipated over the few months, prices of finished articles should similarly decrease but not to 2005 price levels.



With a set amount of available funding, increased prices for materials since the REB 2005 estimate must lead to a reduction in the procurable quantities during 2006 - 2007.

A reduced quantity of materials funded by DFID will reduce the possible number of connections, reduce the amount of intensification work and also reduce line renovation work.

2.4 Market Competition

During the previous months, emphasis was placed on ensuring materials procurement commercial conditions complied appropriately with GOB PPR (Public Procurement Regulations). Compliance with GOB PPR attempts to ensure fair conditions for all potential bidders and is also a prerequisite for utilizing DFID funding.

Anomalous commercial and technical conditions were also removed from the bidding documentation such that potential local and international bidders will be able to compete on equal terms.

Advertising of the procurement was in accordance with GOB PPR, with the addition of procurement notification to diplomatic missions in Bangladesh.

Reasonable response by international and domestic bidders for the procurement was anticipated. By 30 September 2006, 40 companies in total had purchased bid documents. Some of these companies are considered to effectively be one, trading under different names. Only nine international companies or their representatives had purchased bid documents.

Such unresponsiveness from international bidders should be considered unacceptable for future

procurement.

A number of plausible reasons are explicable for the mediocre response from international bidders, however one of the principal reasons for failure to solicit solid international competition is considered to be suspicion of the Bangladesh procurement process integrity by potential international bidders. The suspicion of anti competitive practices within Bangladesh aimed at keeping out international competition is likely to have matured over a number of years resulting in minimal international interest.

Another principal reason for the dearth of international competition is the relatively low financial values of bid sub packages. The maximum estimated value of a bid sub package for REDP procurement is approximately USD 3 million for concrete poles. High transportation costs of concrete poles effectively preclude international bidders.

Other bid sub packages for materials that could be sourced internationally have estimated values of generally much less than USD 1.5 million.

Such low financial values are generally insufficient to warrant the substantial effort required to submit an international bid.

Details of the materials procurement documentation, bid packages and advertising are provided in Section 3.

SECTION 3: MATERIALS PROCUREMENT.

3.1 Background

DFID through GOB are providing a total of GBP38 Million (USD 70.3 million converted at GBP1 = USD1.85) for the procurement of materials as indicated in the introduction to this report.

Core procurement monitoring subjects were established with REB during the previous quarter. This quarter consolidated those core requirements in the REDP materials procurement bid documentation.

During this quarter REB agreed to incorporate into the procurement documentation, various NRECA suggestions considered necessary to enhance competitive bidding.

Following a considerable number of meetings during the quarter, REB concurred with all NRECA suggestions considered necessary to try and obtain a satisfactory quantity and quality of solicitations.

REB completed necessary revisions to the bid documentation during August 2006, with NRECA confirming no objections to commencing bid document production on 22 August 2006.

On 30 August 2006, REB advertised the procurement in four Bangladesh national newspapers and placed the procurement information on GOB Central Procurement Technical Unit website.

Copies of the newspaper advertisement were eventually also disseminated to the trade sections of embassies and high commissions in Dhaka.

Bid closing dates are set for 16 and 18 October 2006, allowing bidders up to 50 days to submit responses. Evaluation of bids will commence during week commencing 30 October 2006.

Forty companies or local agents had purchased bidding documents as of 30 September 2006. of these forty companies or local agents, only nine represented international companies.

3.2 Bid Conditions and Compliance

Core monitoring subjects for the procurement were established with DFID and agreed with REB during the previous quarter.

These core monitoring subjects relate to :

- Bid Package Size
- Fair Conditions for Bidders
- Advertising
- Poles

Details of each core monitoring subject were described in the quarterly report for April through June 2006. These monitoring conditions were notified by DFID to REB chairman on 28 June 2006.

Conditions in the REB bid documentation generally reflected the monitoring requirements, with REB procurement personnel generally implementing the other monitoring conditions.

In particular, each of the core monitoring conditions were observed by REB in the manner following:

3.2.1 Bid Package Value

The principal requirement is for bid package financial value to be sufficiently high to attract

potential international bidders.

Quantifying a sufficiently high value was not considered appropriate for REDP materials procurement. REB have a financial authorization limit of USD 1.7 million, bid sub packages of higher value require government approval.

Given a necessity to expedite REDP materials procurement in a timely manner, NRECA in consultation with DFID and USAID concurred with REB permitting the value of most bid sub packages to be less than USD 1.7 million. Five bid sub packages have values greater than USD 1.7 million.

Contents and the values of bid packages is elucidated in Section 3.3

3.2.2 Fair Conditions for Bidders

Bid documents were formulated to include all information necessary for potential international bidders to equitably compete with potential domestic bidders. This was particularly the case with single phase meters where BSTI (Bangladesh Standards and Testing Institute) standards were specified by REB.

3.2.3 Advertising

The procurement exercise was advertised in four national newspapers and on the GOB Technical procurement Unit website.

As a further aid to disseminating the procurement information to international potential bidders, NRECA requested copies of the newspaper advertisement should be concurrently distributed to embassies and high commissions in Dhaka.

During the first week of the bid period REB response appeared indolent in providing information to embassies and high commissions.

Enquiries on 11 September 2006 to the trade sections of eight sample diplomatic missions indicated only one had received notification of the procurement exercise.

REB procurement section stated they had dispatched the information on 06 September 2006 via the Bangladesh postal system.

Although embassies did not receive the procurement information from REB in a timely manner, most of the trade sections had apparently not seen the REDP procurement advertisement in the newspapers.

As discovering potential trade opportunities must be considered a prime function of trade or commercial sections in diplomatic missions, failure to notice REDP procurement advertisements in local newspapers poorly reflects efficacy.

3.3 REDP Bid Package Materials Composition

Materials lists compiled during the previous quarter were again adjusted by REB. These adjustments enabled REB to optimize use of DFID and REB domestic funds for materials procurement.

As indicated in the previous quarter report, historical costs of procurements in 2005 plus up to 10 percent were used as the basis for REDP materials procurement budget. In compiling the REDP materials procurement budget, REB had to use the last available relevant procurement costs with a percentage increase of up to ten percent. REB budget authorization does not allow use of more probable estimates unless substantiated.

Budget cost for the first tranche of REDP procurement is approximately USD 32 million

Given the price increase of commodities and energy during 2006, REDP materials are likely to be more expensive than 2005 historical prices plus ten percent.

Tranche 1 materials procurement consists of materials for 9 PBS and 67 PBS. Materials procurement for 67 PBS will be complete in the first tranche.

Procurement of materials for 56 PBS component of REDP will be deferred until 2007 as GOB have not yet approved domestic funding.

Quantities of materials to be procured in tranche 2 and 3 will of course be dependant on remaining funds following tranche 1 procurement.

Illustration 3.3.1

Materials composition and funding allocation for first tranche of 9 PBS procurement.

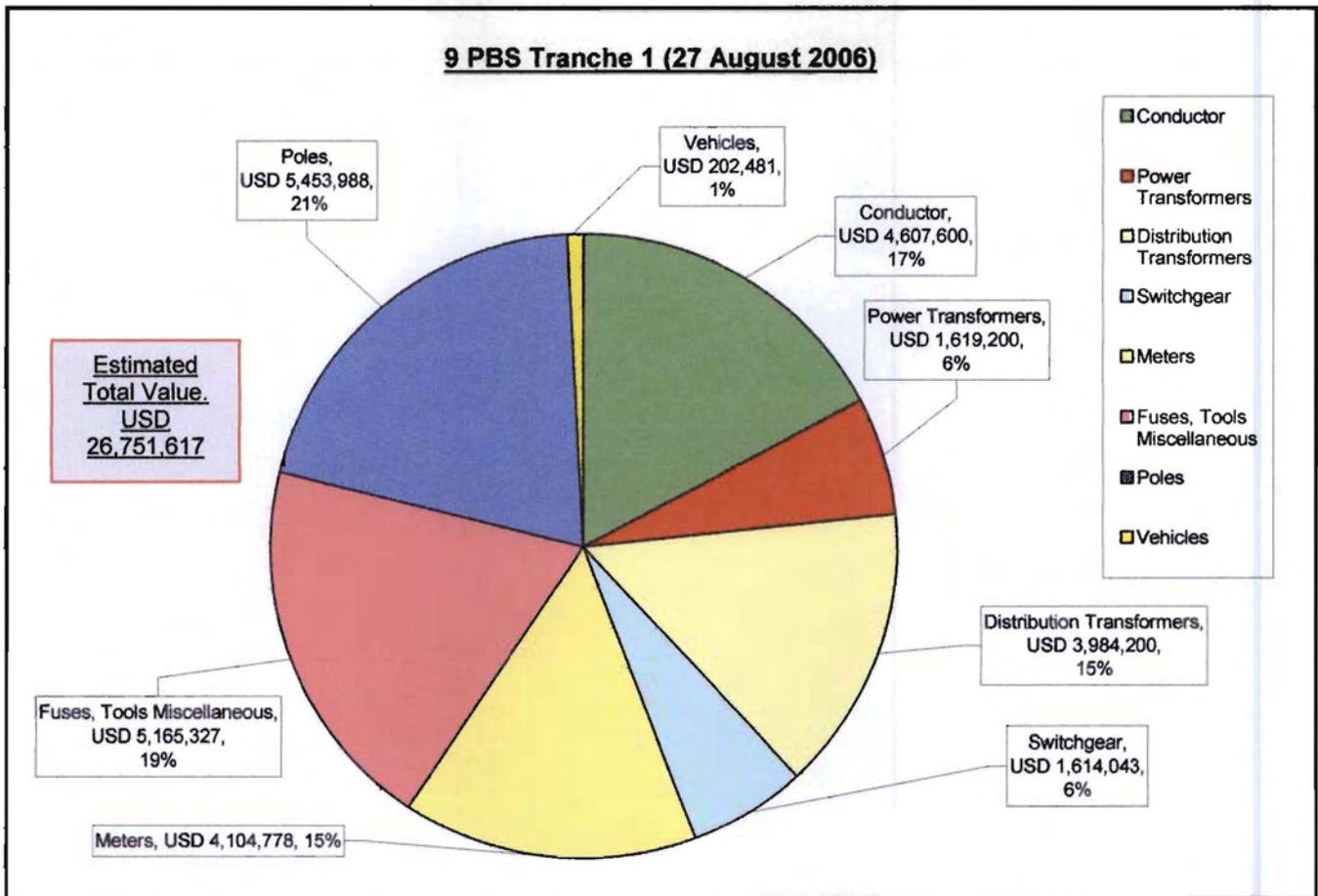
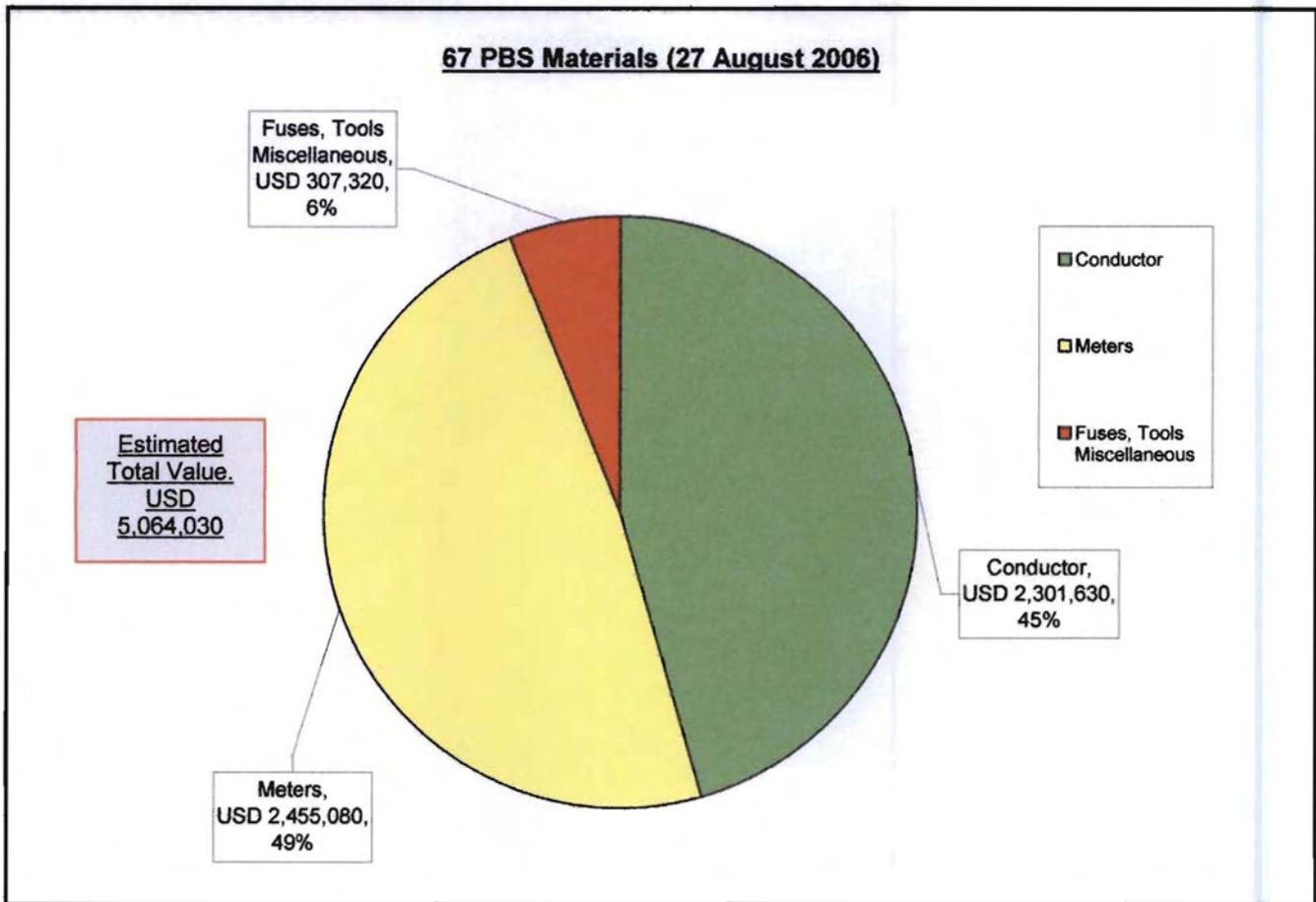


Illustration 3.3.2
Materials composition and funding allocation for 67 PBS procurement.



3.4 REDP Materials Bid Packages

Ideally to attract international competition, financial values of bid sub packages should be at least USD 5 million.

Current REB financial authorization levels are set at USD 1.7 million. GOB ministry approval is required for financial values above USD 1.7 million.

Unfortunately GOB ministry approvals for some procurements are known take an inordinate amount of time, potentially leading to an undesirable delay with REDP materials procurement.

Initially the financial values of all sub packages were too low and consequently selected sub package financial values were pragmatically revised concomitant with a requirement to expedite materials procurement.

Five bid sub packages have an estimated financial values of more than USD 1.7 million and hence require GOB ministry approval. Unsurprisingly these five sub packages comprise of materials where domestic manufacturers are known to have decisive advantages over international competition.

Shown below is the financial make up of materials bid packages.

<u>Bid Sub Package</u>	<u>Materials</u>	<u>Units</u>	<u>Value</u>
DFID (9PBS).03-010	SPC Poles	22,000	USD 3,064,000
DFID (9PBS).04-013	Service Conductor	4800 km	USD 2,673,300
DFID (9PBS).05-015	Distribution Transformers	5,500	USD 2,590,500
DFID (9PBS).03-009	SPC Poles	24,760	USD 2,389,988
DFID (67PBS)-001	Conductor	4400 km	USD 2,211,100
DFID (9PBS).08-029	Power Transformers	48	USD 1,619,200
DFID (9PBS).06-020	Three Phase meters	9,715	USD 1,553,258
DFID (9PBS).03-008	Conductor	5500km	USD 1,547,367
DFID (9PBS).03-011	Transformers	1,700	USD 1,393,700
DFID (67PBS)-005	Three Phase Meters	6,500	USD 1,260,480
DFID (9PBS).07-026	Guy Wire	2,150 km	USD 1,224,998
DFID (9PBS).08-031	Voltage Regulators	151	USD 1,127,298
DFID (9PBS).06-023	metering CT and VT	3,900	USD 1,004,500
DFID (9PBS).07-024	Cross Arms and Anchor Logs	70,700	USD 902,180
DFID (67PBS)-004	1-ph watt hour meter	100,000	USD 843,000
DFID (9PBS).06-019	Single Phase Meters	100,000	USD 843,000
DFID (9PBS).04-014	Conductor Accessories	Various	USD 797,066
DFID (9PBS).05-016	Surge arresters and Fuse Cut Outs	Various	USD 775,319
DFID (9PBS).06-022	Class 200 Single Phase Meters	6,000	USD 526,420

<u>Bid Sub Package</u>	<u>Materials</u>	<u>Units</u>	<u>Value</u>
DFID (9PBS).08-032	Switches and Insulators	Various	USD 487,170
DFID (9PBS).07-028	Tools and associated Items	Various	USD 393,885
DFID (9PBS).04-012	Conductor	221km	USD 386,933
DFID (67PBS)-007	Class 200 Single Phase Meters and Sockets	4,000	USD 333,840
DFID (9PBS).08-030	Reclosers	45	USD 315,945
DFID (67PBS)-003	Surge Arresters and Cut Outs	Various	USD 307,320
DFID (9PBS).05-017	Fuse Links	343,000	USD 236,330
DFID (9PBS).07-025	Overhead Line Conductor Joints	27,300	USD 191,790
DFID (9PBS).06-021	Meter Sealing Wire	2,000,000m	USD 177,600
DFID (9PBS).05-018	Capacitors	840	USD 170,800
DFID (9PBS).09-033	Vehicles	4	USD 160,120
DFID (9PBS).07-027	Street Lighting	Various	USD 156,589
DFID (67PBS)-002	Copper Conductor	8 km	USD 90,530
DFID (9PBS).09-034	Vehicle	1	USD 22,666
DFID (9PBS).09-035	Motor cycles	13	USD 19,695
DFID (67PBS)-006	Meter seal wire/lead	200,000	USD 17,760

3.5 REDP Materials Procurement Funding and Draw Down

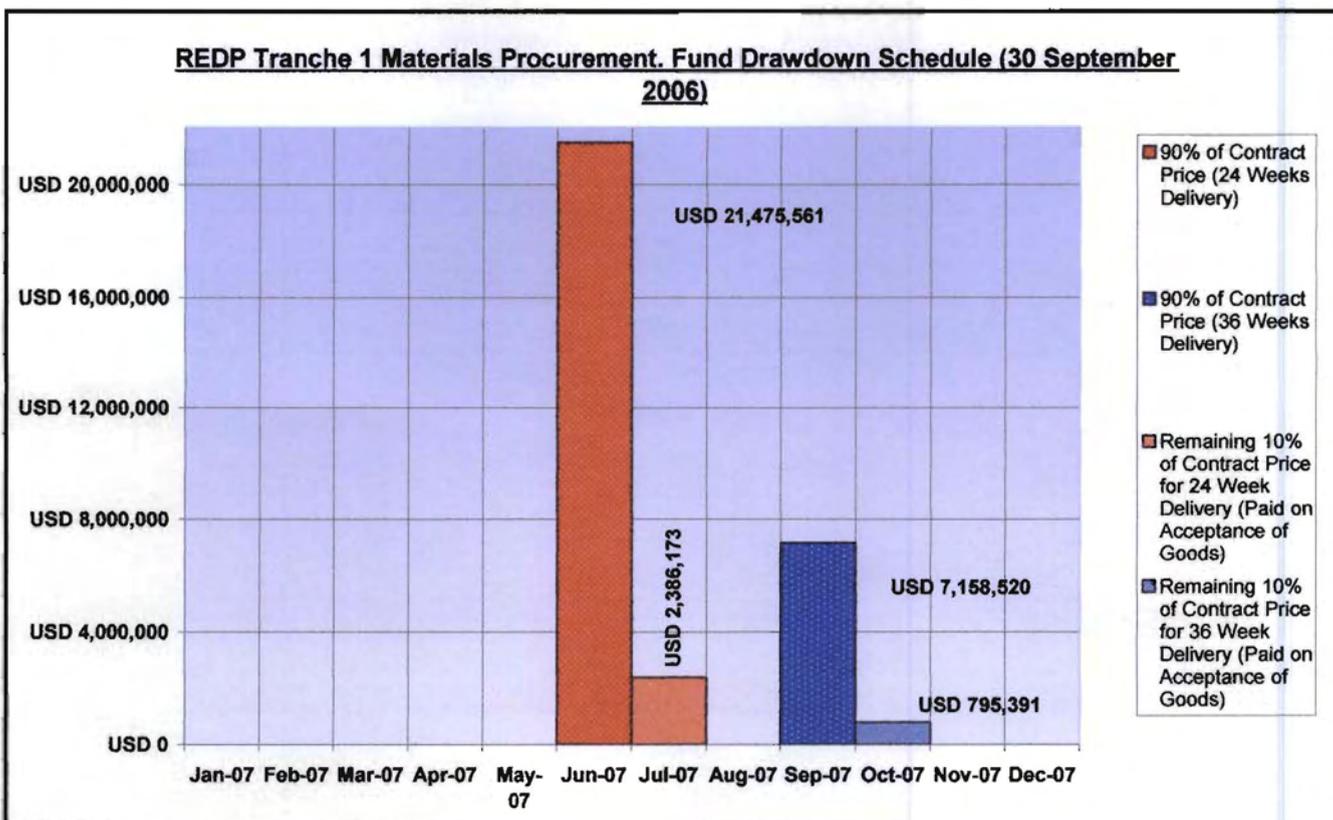
GBP38 million (approximately USD70.3 million) is available in total for REDP materials procurement. For 2005 - 2006 DFID have provided GBP 22.5 million (approximately USD 41.5 million) to GOB / REB for procurement of REDP materials.

DFID anticipate funding availability as follows:

Financial Year	Funds	Allocation
2005 - 2006	GBP 7.5 Million (USD 13.9 Million)	REB
2006 - 2007	GBP 12.5 Million (USD 23 Million)	REB and PKSF
2007 - 2008	GBP 10 Million	REB and PKSF
2008- 2009	GBP 10 Million	REB and PKSF
2009 2010	GBP 8 Million	REB and PKSF

Estimates produced by REB suggest approximately USD 30 - 35 million will be committed to contract for the first tranche of materials. Fund draw down requirements for REDP procurement will be notified to DFID during November 2006 following appraisal of contract prices.

Present indications are for contracts for materials purchase to be signed with suppliers during December 2006 and January 2007. Projected draw down of funds shown below.



3.6 REB Bid Documents and Advertising

Following no objections to the content of the procurement documentation, REB compiled separate bid documents for each of the nine bid packages.

Bid documents were made available for purchase by potential bidders on 02 September 2006, from REB headquarters.

REB effected the production of documents for sale to potential bidders. The quality of the REB photocopied bid documents was poor.

Manifold reasons were given by REB for the poor quality of documentation, ranging from problems with REB photocopiers to no funds to have the documents professionally produced.

As few potential international bidders purchased bid documents a claim may be made that the quality of bid documentation is irrelevant. However, presentation of a USD 30 million procurement exercise should be professional. Second rate presentation indicated REB have an indifferent attitude to the procurement exercise.

Procurement advertising was conducted in accordance with GOB PPR.

Advertisements appeared in the following newspapers on August 30, 2006.

<u>Newspaper</u>	<u>Language</u>
Daily Star	English Language Daily
The Observer	English Language Daily
The Jugantor	Bangla Daily
The Prothon Aloo	Bangla Daily

In addition to newspaper advertisements, the procurement was also advertised on GOB Central Procurement Technical Unit website.

Concurrent with the newspaper and website advertising, information about the procurement was also sent to the trade sections of diplomatic missions in Bangladesh.

Illustration 3.6.1

Copy of newspaper advertisement.

Invitation for Tenders against DFID Fund under the Projects 67 PBS & 9 PBS of Rural Electrification Board.

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
Ministry of Energy and Mineral Resources.

Agency: Rural Electrification Board.
Procuring Entity Name & District: Director, Procurement, Rural Electrification Board, Dhaka.
Invitation for: Electrical line Construction Materials.
Invitation Ref No: GAF/278 (DFID)/2006/03 Date: 29-06-2006
Procurement Method: International Competitive Bidding (ICB)

TECHNICAL INFORMATION

7. Budget and Source of Funds: Revenue Budget under DFID Grant
8. Development Partners (if applicable): Department for International Development (DFID)
9. Project / Programme Name (if applicable): (a) Interlinking and Expansion of Distribution System of 67 PBS & (b) Interlinking and Expansion of Distribution System of 9 PBS
10. Tender Package No.: DFID (SPBS)-01 through DFID (SPBS)-02 & DFID (SPBS)-03 through DFID (SPBS)-09
11. Tender Publication Date: 02.09.2006
12. Tender Last Selling Date: (a) 15.10.2006 Up to 4.00 PM. Tender Package Nos.: DFID (SPBS)-01 through DFID (SPBS)-02 & DFID (SPBS)-03 through DFID (SPBS)-05. (b) 17.10.2006 Up to 4.00 PM Tender Package Nos.: DFID (SPBS)-06 through DFID (SPBS)-09.
13. Tender Closing Date and Time: (a) 16.10.2006, Tender Package Nos.: (DFID (SPBS)-01 through DFID (SPBS)-02 & DFID (SPBS)-03 through DFID (SPBS)-05 (a) 12.00 Noon (BST) (b) 18.10.2006, Tender Package Nos.: DFID (SPBS)-06 through DFID (SPBS)-09. (b) 12.00 Noon (BST)
14. Tender Opening Date and Time: (a) 16.10.2006, Tender Package Nos.: (DFID (SPBS)-01 through DFID (SPBS)-02 & DFID (SPBS)-03 through DFID (SPBS)-05 (a) 12.30 Noon (BST) (b) 18.10.2006, Tender Package Nos.: DFID (SPBS)-06 through DFID (SPBS)-09. (b) 12.30 Noon (BST)
15. Name & Address of the office(s):
- Selling Tender Document: Directorate of Procurement, Rural Electrification Board (7th floor), Nikunja-2, Dhaka- 1229, Bangladesh.
- Receiving & Opening Tender Document: RER Aurkhera Rural Electrification Board (1st floor, Nikunja-2, Dhaka- 1229, Bangladesh)

INFORMATION FOR TENDERERS

16. Eligibility of Tenderer: All Countries except Israel, Serbia & Montenegro
17. Price of Tender Document (Tk): Tk. 3000.00
18. Brief Description of Related Services: N/A
19. Brief Description of Goods and amount of tender Security:

Tender-Pack No.	Sub-Pack No.	For the material of	Tender Security Amount (USD)	Tender-Pack No.	Sub-Pack No.	For the material of	Tender Security Amount (USD)
DFID (SPBS)-01	DFID (SPBS)-01	Conductor	50,000.00	DFID (SPBS)-06	DFID (SPBS)-218	Single Ph. Meter	21,000.00
	DFID (SPBS)-02	Conductor	2,750.00		DFID (SPBS)-219	3 Ph. Meter & Acc. and Prog. Elec. Meter	45,000.00
DFID (SPBS)-02	DFID (SPBS)-03	Sec. Device	7,500.00	DFID (SPBS)-220	Meter Seal	4,500.00	
	DFID (SPBS)-04	Single Ph. Meter	21,000.00	DFID (SPBS)-221	Single Ph. Meter & Hook	13,000.00	
	DFID (SPBS)-05	3 Ph. Meters & Acc.	21,500.00	DFID (SPBS)-222	CT & PT	25,000.00	
DFID (SPBS)-03	DFID (SPBS)-06	Meter Seal	400.00	DFID (SPBS)-07	DFID (SPBS)-024	Wooden Cross Arm & Anchor Lug	22,500.00
	DFID (SPBS)-07	1 Ph. Meter & Acc.	8,000.00	DFID (SPBS)-025	Conductor	5,000.00	
	DFID (SPBS)-08	Conductor	38,000.00	DFID (SPBS)-026	Lug & Grounding wire	20,000.00	
	DFID (SPBS)-09	SPC Posts	50,000.00	DFID (SPBS)-027	Stone Light & Acc.	4,000.00	
	DFID (SPBS)-10	SPC Insulators	65,000.00	DFID (SPBS)-028	Lock, Hooks & Acc.	10,000.00	
DFID (SPBS)-04	DFID (SPBS)-11	Dist. Transformer	35,000.00	DFID (SPBS)-029	1 Ph. Power Transformer	60,000.00	
	DFID (SPBS)-12	Conductor	10,000.00	DFID (SPBS)-030	Auto Cut. Recorder	8,000.00	
	DFID (SPBS)-13	Conductor	47,000.00	DFID (SPBS)-031	Auto Volt Regulator	28,000.00	
DFID (SPBS)-05	DFID (SPBS)-14	Conductor & Guy Acc.	20,500.00	DFID (SPBS)-032	S.S. Switch & Post Ins.	12,000.00	
	DFID (SPBS)-15	Dist. Transformer	68,000.00	DFID (SPBS)-033	Jump	2,000.00	
	DFID (SPBS)-16	Sec. Device	20,000.00	DFID (SPBS)-034	Post Lug (Stainless Cable)	500.00	
	DFID (SPBS)-17	Fuse Link	2,000.00	DFID (SPBS)-035	Meter Cable, L25 (C2)	500.00	
DFID (SPBS)-18	Capacitor	4,500.00					

20. Regarding Tender Document: The Tender Document in the English language, may be purchased by the interested tenderers on the submission of a written application to the address below and upon payment of a non-refundable fee Tk. 3000.00 or USD 50.00. The method of payment will be by Pay order / Bank draft in favor of Rural Electrification Board, Dhaka, Bangladesh. The documents will be sent by air mail for overseas delivery and courier or surface mail for local delivery. For overseas delivery, the tenderer may obtain the tender document by any international courier service to collect the same from Rural Electrification Board, Dhaka, Bangladesh. One tender document can not be used for submission of tender proposal (s) by more than one tenderer. One tenderer, however, may submit tenders against any number of sub-packages included in the tender document by purchasing only one copy of the tender document.

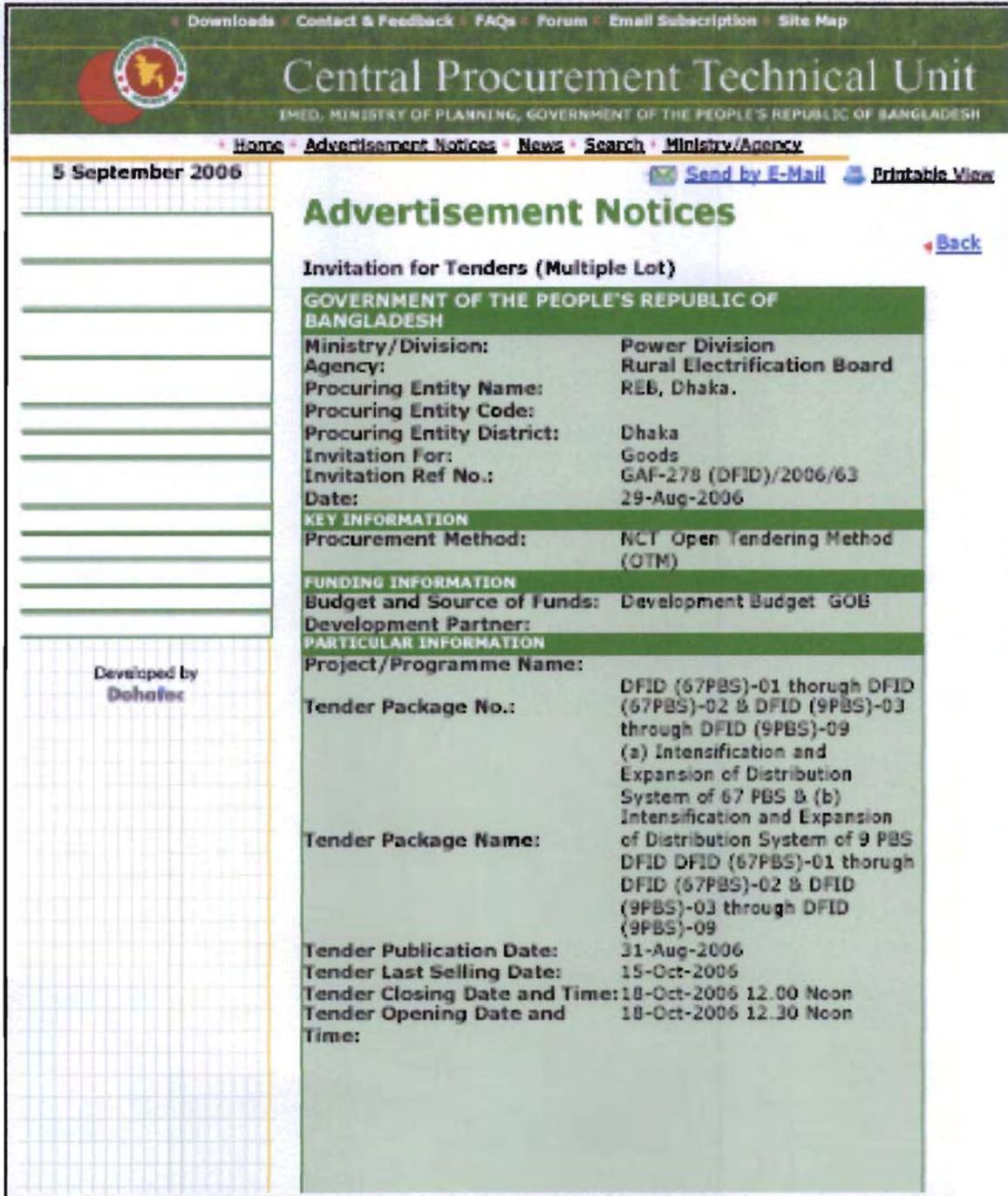
21. Payment Mode: Payment will be made through Irrevocable Letter of Credit (L/C)
22. Delivery Period: Delivery Period shall begin with effect from the day of L/C opening
23. The procuring entity reserves the right to accept or reject all tenders.

 **রural electrification board**
RURAL ELECTRIFICATION BOARD

Directorate of Procurement
Rural Electrification Board, Head Office Building
7th Floor, Nikunja-2, Khilkhat
Dhaka-1229, Bangladesh. Phone & Fax: 8818420
E-mail: jprocure@rcet.gov.bd

Illustration 3.6.2

Copy of advertisement shown on website of GOB Central Procurement Technical Unit.



The screenshot shows the website of the Central Procurement Technical Unit (CPTU) of Bangladesh. The header includes navigation links like 'Downloads', 'Contact & Feedback', 'FAQs', 'Forum', 'Email Subscription', and 'Site Map'. The main title is 'Central Procurement Technical Unit' with the subtitle 'EMED, MINISTRY OF PLANNING, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH'. Below the header, there are links for 'Home', 'Advertisement Notices', 'News', 'Search', and 'Ministry/Agency'. The date '5 September 2006' is displayed. A 'Send by E-Mail' and 'Printable View' option is available. The main section is titled 'Advertisement Notices' with a 'Back' link. The notice is for an 'Invitation for Tenders (Multiple Lot)' from the 'GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH'. The details are as follows:

Ministry/Division:	Power Division
Agency:	Rural Electrification Board
Procuring Entity Name:	REB, Dhaka.
Procuring Entity Code:	
Procuring Entity District:	Dhaka
Invitation For:	Goods
Invitation Ref No.:	GAF-278 (DFID)/2006/63
Date:	29-Aug-2006

KEY INFORMATION

Procurement Method:	NCT Open Tendering Method (OTM)
---------------------	---------------------------------

FUNDING INFORMATION

Budget and Source of Funds:	Development Budget GOB
Development Partner:	

PARTICULAR INFORMATION

Project/Programme Name:	
Tender Package No.:	DFID (67PBS)-01 through DFID (67PBS)-02 & DFID (9PBS)-03 through DFID (9PBS)-09 (a) Intensification and Expansion of Distribution System of 67 PBS & (b) Intensification and Expansion of Distribution System of 9 PBS
Tender Package Name:	DFID DFID (67PBS)-01 through DFID (67PBS)-02 & DFID (9PBS)-03 through DFID (9PBS)-09
Tender Publication Date:	31-Aug-2006
Tender Last Selling Date:	15-Oct-2006
Tender Closing Date and Time:	18-Oct-2006 12.00 Noon
Tender Opening Date and Time:	18-Oct-2006 12.30 Noon

On the left side of the page, there is a grid area with the text 'Developed by Bohafex'.

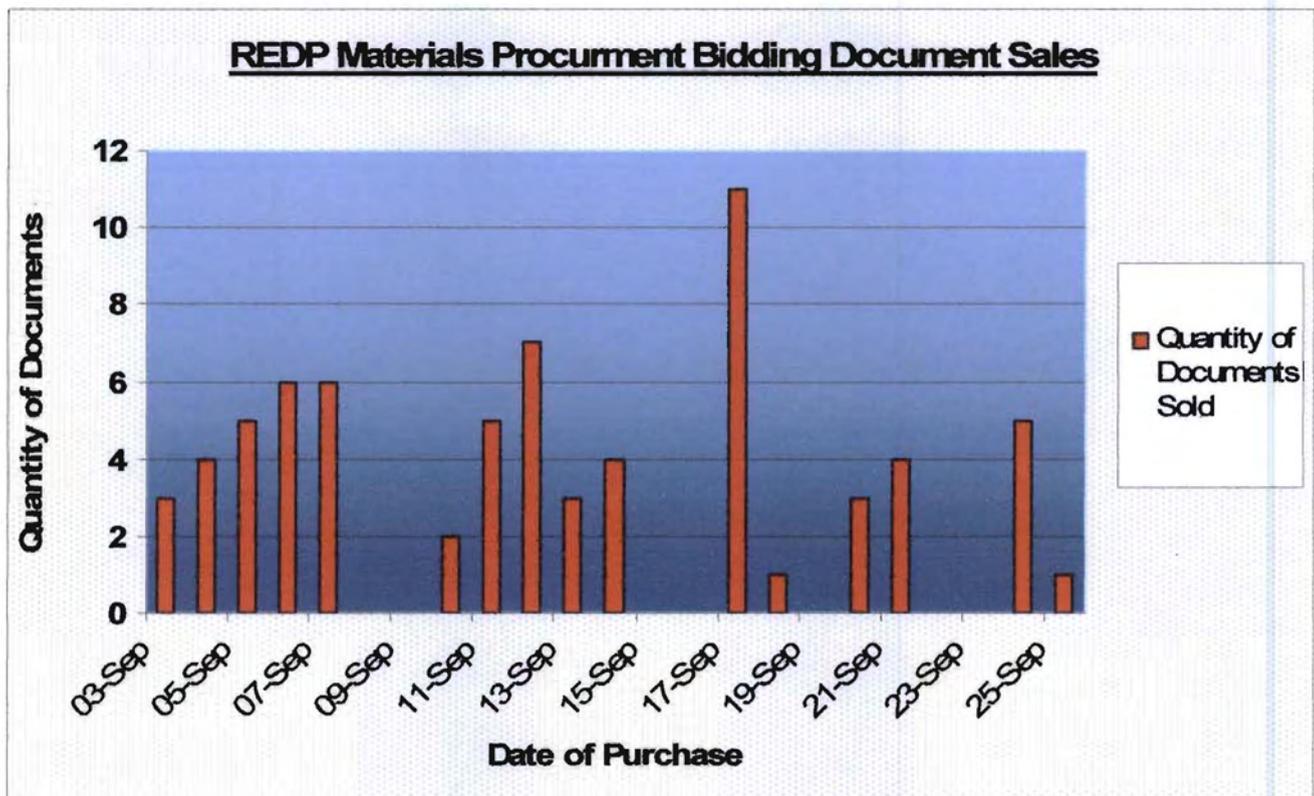
BEST AVAILABLE COPY

	Name & Addresses of the Offices :		Selling Tender Document	
			Directorate of Procurement, Rural Electrification Board (7th floor), Nikunja-2, Dhaka-1229.	
			Receiving Tender Document	
			REB Auditorium Rural Electrification Board (1st floor), Nikunja-2, Dhaka-1229.	
				Opening Tender Document
				REB Auditorium Rural Electrification Board (1st floor), Nikunja-2, Dhaka-1229.
Pre-Tender Meeting (Optional):		Place: Date: Time		
INFORMATION FOR TENDERER				
Eligibility of Tenderer:		All Countries except Israel, Serbia & Montenegro		
Brief Description of Goods or Works:		(a) Intensification and Expansion of Distribution System of 67 PBS (b) Intensification and Expansion of Distribution System of 9 PBS DFID DFID (67PBS)-01 through DFID (67PBS)-02 & DFID (9PBS)-03 through DFID (9PBS)-09		
Brief Description of Related Services:		N/A		
Tender Document Price:		3,000.00		
Lot No.	Identification	Location	Security Amount	Completion Date
1.	DFID (67PBS)-01	Dhaka	118,700.00	
2.	DFID (67PBS)-02	Dhaka	162,400.00	
3.	DFID (9PBS)-03	Dhaka	132,000.00	
4.	DFID (9PBS)-05	Dhaka	95,500.00	
PROCURING ENTITY DETAILS				
Name of Official Inviting Tender:				
Designation of Official Inviting Tender:		Directorate of Procurement		
Address of Official Inviting Tender		Rural Electrification Board, Head Office Building (7th floor), Nikunja-2, Khilkhet, Dhaka-1229		
Contact Details of Official Inviting Tender		Phone: 8916420 Fax: 8916420 Email: procure@citechco.net		
The procuring entity reserves the right to accept or reject all tenders				

3.7 Bidding Document Purchasers

Bid documents were available for sale at REB headquarters on 02 September 2006.

The initial response to document purchase was unremarkable given the potential for USD 30 million worth of business.



Usually companies require as much working time as possible to formulate bids, consequently bid documents are purchased during the first or second day of sales. Each passing day of the bidding period reduces the remaining time available to prepare a good quality bid.

As can be seen from the above graph of bid document sales, purchases have been spread over a four week period. Information from knowledgeable REB sources, closely allied with previous bid document sales, suggests a significant quantity of additional bid documents will be sold on the last day of sale. Certainly companies cannot assemble and submit a satisfactory bid within a day of receiving a bid document. That being so, a reasonable supposition is some companies are obtaining information prior to or within the bidding period through means other than actually purchasing bid documents.

As of 30 September 2006, seventy bid documents have been sold to forty companies.

Companies purchasing bid documents are indicated in the table below:

	<u>Bid Document Purchaser</u>	<u>Address</u>	<u>Representing International or Domestic Companies</u>
1	Aegls International	53, Motijheel C/A, Dhaka	International
2	Chint Electric Co Ltd Shanghai China	L/A United Enterprise And Con Ltd, Gulshan-1, Dhaka	International
3	Cooper Power System, U.S.A L/A Prince Corporation Ltd	Motijheel, Dhaka	International
4	Elster Electricity Lic U.S.A L/A Salar International	113 Kazi Nazrul Islam Avenue, Dhaka	International
5	Juan Kuanf (Pte) Ltd L/A Shupraghat (Pvt) Co. Ltd	Tejgaon, Dhaka	International
6	Ninybo Yinzhon, Huayuan Electrical Machine Industry Copr China	L/A Project Builders Ltd/ Dhaka	International
7	Siemens Power Transmission And Distribution Inc L/A Siemens Bangladesh Dhaka	Gulshan-1, Dhaka	International
8	Tyco Electronics Raychem Gmbh L/A Macro International Ltd	37 Kakrail Vip Road, Dhaka	International
9	Yue Qing Xindall Company	Sulv industrial Zone Lishi, Yue Qing, China L/A Project Builders Ltd. 692/B Bara Moghbazar, Dhaka	International
10	B&T Cables Ltd	Banani, Dhaka	Domestic
11	BRB Cables Unit-3	Kustia	Domestic
12	Confidence Power Ltd	73, Sonargaon Road, Dhaka	Domestic
13	Contech Construction Ltd	Banani, Dhaka	Domestic
14	Creative Electrical And Electronics Co Ltd	Gazipur	Domestic
15	Dada Engineering Ltd		Domestic
16	Electro Venture Ltd	Savar, Dhaka	Domestic
17	Energy Pac Engineering Ltd	10, Dilkusha C/A, Dhaka	Domestic
18	Esack Brothers Industries Ltd	Bandar Chittagong	Domestic
19	Gemcon Ltd	Dhanmondi, C/A	Domestic

	<u>Bid Document Purchaser</u>	<u>Address</u>	<u>Representing International or Domestic Companies</u>
20	Hosaf Meter Industry Ltd	9, Mohakali C/A Dhaka	Domestic
21	Jamir Engineering Industries	Tejgaon , Dhaka	Domestic
22	Jida Power Wire Ltd	65-66 Motijheel C/A	Domestic
23	Khamba Ltd	Gulshan -1 , Dhaka	Domestic
24	M A Quader Ltd	Banani, Dhaka	Domestic
25	M/S Diran Enterprise Ltd	73/1 Indira Rd Tejgaon, Dhaka	Domestic
26	National Dynamics Ltd	Banani, Dhaka	Domestic
27	Pasa Electro Industries	Keranigonj, Dhaka	Domestic
28	Power Connection (Pvt) Ltd.	Purana Paltan	Domestic
29	S B S Cables Ltd	Banani, Dhaka	Domestic
30	S Q Wire & Cables Co Ltd	Mohammadpur, Dhaka	Domestic
31	Southern Engineers And Trading Agencies	16, Dilkusha C/A, Dhaka	Domestic
32	S Q Trading & Engineers	Mohammadpur, Dhaka	Domestic
33	T S Transformer Ltd	Banani, Dhaka	Domestic
34	T S Co Power Ltd	Banani , Dhaka	Domestic
35	Techno Electricals Ltd	Banani, Dhaka	Domestic
36	Techno Venture Ltd	Banani , Dhaka	Domestic
37	TPT Cables Ltd	Kustia	Domestic
38	Trade East West Corporation Ltd	147/1 Old Airport Road, Dhaka	Domestic
39	Trade Venture Ltd	Dhanmondi R/A Dhaka	Domestic
40	United Enterprises and Co Ltd	Gulshan-2	Domestic

3.8 Procurement Program

Bid documents were advertised for sale on 02 September 2006. Bidders are allowed until 16 and 18 October 2006 to submit bids.

The Muslim religious holiday period of Eid falls immediately after the bid submission dates. REB are not expected to recommence working until week commencing 30 October 2006.

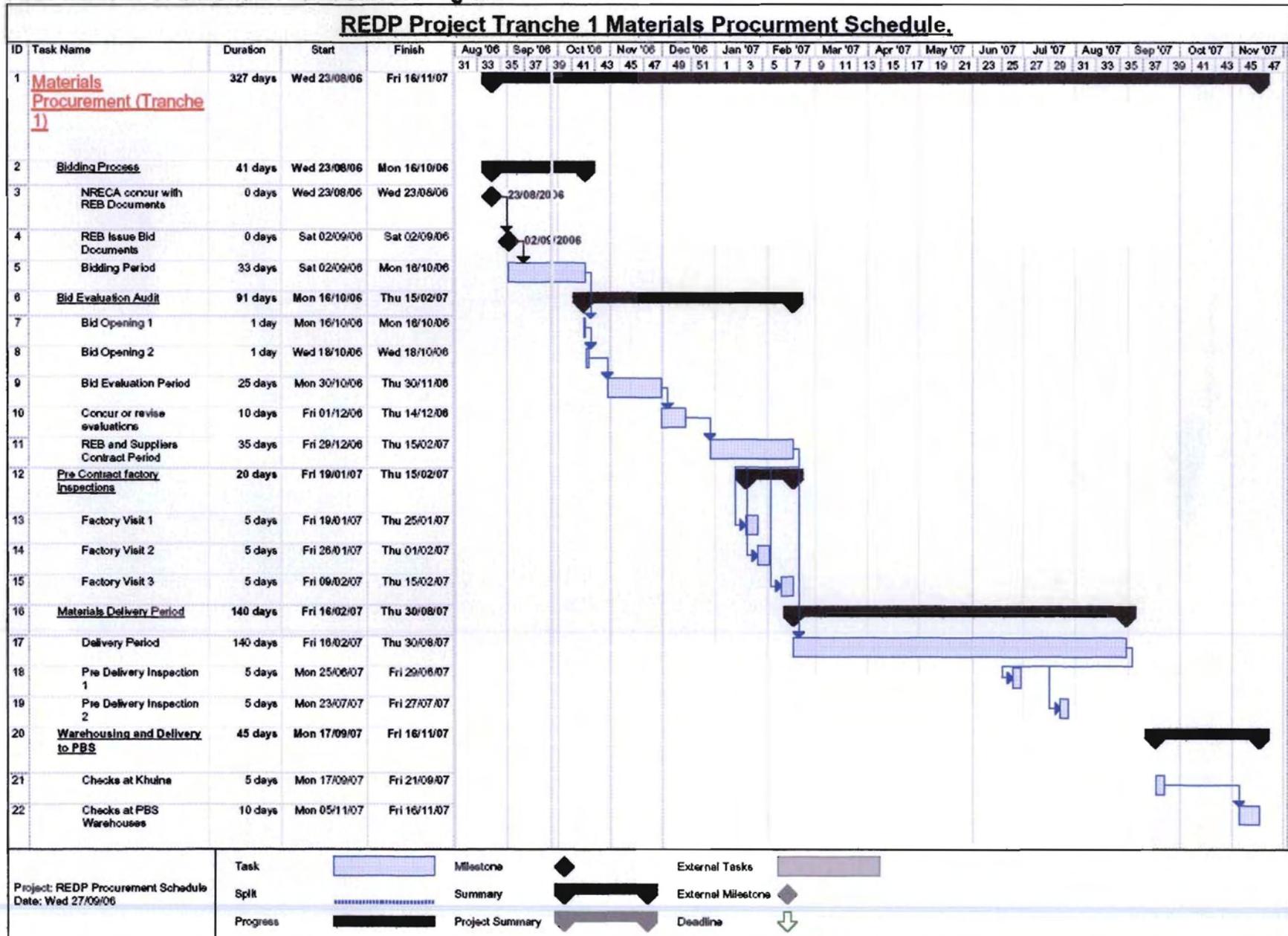
Bid evaluation is scheduled to commence during week commencing 30 October 2006.

Following evaluation, approvals, pre contract factory inspections and contract negotiations will proceed. Gantt chart shown in 3.8.1 indicates a possible timetable for the procurement process.

A bid validity period of 150 days was required by REB as precedent indicates the time taken for completing the evaluation, approvals and negotiations always takes longer than hoped.

Gantt chart of suggested schedule for first tranche materials procurement shown in 3.8.1 on the following page.

3.8.1 First Tranche of Materials Procurement Program



SECTION 4: MONITORING OF MATERIALS USAGE

4.1 Progress

REB will utilize DFID funded materials for ongoing REDP construction projects. The construction projects are to be formulated from the individual PBS master plans. As DFID funded materials have yet to be procured, monitoring of usage has not commenced. NRECA are continuing to prepare the monitoring methodology.

4.2 Proposed Monitoring Methodology

Indicated below are basic considerations for monitoring the usage of DFID funded materials:

Task 1: Storing DFID funded materials at Khulna Warehouse

- Assist Khulna Warehouse personnel with acceptable storage of all materials.
- Where practicable, DFID materials to be segregated from existing REB materials.
- Assist REB warehouse staff to selectively tag DFID materials to enable identification at PBS warehouse and during construction phase.

Task 2: DFID funded Material at PBS

- Assist PBS Store personnel with storing all DFID funded materials in a separate place from existing materials.
- Randomly monitor issues of materials to construction contractors to check correct quantities.

Task 3: Monitoring of Construction Work in 9 PBS.

- Regular inspections of construction works in each PBS.
- Comparison of detailed construction plans with master plans.
- Compare material quantities issued with work effected.
- Monitor construction quality and compare with REB standards.
- Monitor category of customer connections with reference to DFID criteria.

Task 4: Monitoring of materials usage in 67 PBS and 10 lakh customers.

- Monitor progress of construction works and compare with issue of DFID materials.
- Check meter issues and compare with new customer connections.
- Randomly monitor issue and installation of DFID procured meters.

SECTION 5: SOCIO ECONOMIC STUDY

5.1 Background

As indicated in Section 2, Key Issues, power shortfall will impinge significantly on the anticipated benefits of the REDP.

Whilst a general consensus indicates domestic households will take every opportunity to receive an electricity service, it is considered potential commercial ventures may be reluctant to make investments until the power supply situation improves. However, the socio economic study will elucidate the situation pertaining from the REDP during and at the end of the study period.

5.2 Progress

NRECA interviewed a number of candidates and have selected a suitable consultant to manage the socio economic survey. The socio economic survey will actually be conducted by a local consulting company, yet to be appointed.

During the three month period of July through September 2006, emphasis has continued on effecting the materials procurement of the REDP.

Progress with socio economic survey aspect of REDP will be improved immediately the materials procurement process is effectively underway.

NRECA consultant to manage the socio economic study will be appointed during October 2006.

5.3 Socio Economic Study Management

Management of the survey will involve:

- Preparation of TOR for the survey. (TOR will follow the guidelines set by DFID with consensus from the other stakeholders including REB and USAID.)
- Assisting with evaluation of offers from local consulting firms.
- Selection of local consulting company.
- Management and supervision of local consulting company for initial baseline survey and for subsequent impact assessment.
- Reporting of socio economic study.

SECTION 6: PBS MEMBER AWARENESS EDUCATION AND BOARD DEVELOPMENT PROGRAM

6.1 PBS Member Awareness Education and Board Development Program

Principal objective of the program is to address the issues pertinent to the raising member consumer participation levels from reactive to proactive for facilitating the activities in empowering the membership to take responsibility for their actions and decisions as well as conducting programs to enhance the capabilities of the PBS Directors.

The initial tasks of the program will be to review some of the earlier works developed with REB and PBS by NRECA. As from the outset of RE program in Bangladesh, NRECA with the funding of USAID, assisted the RE personnel in formation of PBS and accordingly, a wide range of training programs were developed to raise the awareness of member – consumers and the PBS Board members. The ongoing USAID funded RPPR-II Program's Task C.1 (Strengthening Training Programs and Procedures) particularly has the earmarked activity to continue the same with respect to the development of curriculum materials for all types of training programs aimed at REB and PBS personnel.

This Task will involve working with the REB Training Directorate, as well as the REB Management Operations Directorates in order to ensure that the content and approach for these newly developed programs are appropriate to the PBS system. At the PBS level, the PBS Member Services Departments will be directly involved with the implementation of the programs. This component of DFID project will work with REB and the PBS to explore the most effective approaches for successfully implementing the programs with consideration being given to the improved utilization of the PBS Village Advisors.

After the development of the programs and their initial implementations through the REB and PBSs, the ongoing oversight and monitoring of this initiative through the end of the project will become part of the overall Supervision and Monitoring Task.

Following are the steps assumed in the Project Proposal for implementation of the entire program:

- Validation of training needs of the PBS Board members and consumer – members as identified by the RPPR – II program
- Identification of possible implementation schemes
- Development of curriculum outlines for relevant programs
- Preparation of the required curriculum materials and translation into Bangla
- Completion of pilot testing of the curriculum materials
- Implementation of both types of programs
- Monitoring of implementation at both REB and PBS

In order to carry out the project tasks NRECA recruited two local staff during the period July through September 2006.

Brigadier (rtd) M A Malek is employed as a Local Management Specialist with Narayan Chandra Saha employed as an Education and Training Specialist.

6.2 Education and Awareness Work

Field visits to PBS were conducted by NRECA local staff during the period to ascertain actual education and awareness training requirements.

Detail of visiting schedule has been furnished below chronologically:

<u>PBS Visited</u>	<u>Date of Visit</u>	<u>Personnel Involved</u>
Narsingdi PBS-2	Aug. 09, 2006	Brig. Gen. M. A. Malek (Retd.) and Mr. Narayan Chandra Saha
Brahmanbaria	Aug. 09, 2006	Brig. Gen. M. A. Malek (Retd.) and Mr. Narayan Chandra Saha
Hobiganj	Aug. 10, 2006	Brig. Gen. M. A. Malek (Retd.), Mr. Narayan Chandra Saha, and
Narsingdi PBS-2	Aug. 17, 2006	Mr. Bashir Ahmed and Mr. Narayan Chandra Saha Mr. Ali Al Islam Khan
Nilphamari	Aug. 20, 2006	Brig. Gen. M. A. Malek and Mr. Narayan Chandra Saha
Thakurgaon	Aug. 21, 2006	Brig. Gen. M. A. Malek (Retd.) and Mr. Narayan Chandra Saha
Dinajpur PBS-1	Aug. 21, 2006	Brig. Gen. M. A. Malek (Retd.) and Mr. Narayan Chandra Saha

6.3 Education and Awareness Findings

<u>Needs and Shortcomings Identified During the Field Visits</u>	<u>Indicative Amelioration Strategies</u>
Lack of cooperation and coordination among departments and group	Use monthly coordination meeting
Wiring Inspector cannot work following the Instruction Series. In fact they have no time to provide service to the common people.	Team building
It is not clear who will prioritize their activities. They understand that the Member service is less important than DNP	Prioritizing skill should be developed among the personnel.

<u>Needs and Shortcomings Identified During the Field Visits</u>	<u>Indicative Amelioration Strategies</u>
DGM has no AGM (MS) in his zonal office	Importance of Customer Service must be accentuated. One position of AGM (MS) should be created for DGM offices.
General customers are not known to the different steps of getting electric connection	Good Member Service Training should be given Each and every steps including the dues that should be clear for getting connection should be known to the general customer. Roles and responsibilities should be specified for all the side. Easily understandable and pictorial advertisement, hand bill, pamphlet should be designed and distributed at the important places of the village e.g. village market, primary school, busy road crossing point, boat stations, etc.
Custom relation is poor	Customer Information System at one point service should be computerized. Frequency of Village Advisor training and Utan meeting should be increased. Course outline should be developed and given to the PBS level.
The following individuals and the personnel of PBS are always coming to the close contact of the Member Customer (i) Village Advisor (ii) Wiring Inspectors (iii) Lineman (iv) Village Electricians	The mentioned individual and the personnel including their supervisors should be trained up for Member Education.
Safety-security measures are not acceptable	Various security measures including right way activities should be the learning inputs.
Bill Clearing	Importance of regular bill clearing should at least be a learning unit of a lesson.
A crisis of materials availability are considered the main reason for corruption	Systematic progress should be emphasized and learning ethics should be inserted in curriculum.

<u>Needs and Shortcomings Identified During the Field Visits</u>	<u>Indicative Amelioration Strategies</u>
<p>AGM (MS) Section are being used to provide bill clearing certificates to the Members, where as it is the duty of Finance Section Board of Directors sometime interfere day-to-day activities of PBS.</p>	<p>Job specifications should be clear cut and justified. The Lesson to keep themselves (Directors) aloof from these kinds of activities should be given.</p>
<p>Lack of motivation and undesirable behavioral pattern found</p>	<p>Lesson on motivation and how to behave with maintaining office decorum should be the learning input following group exercise methodologies.</p>
<p>Lack of proper orientation about REB, PBS and Individual relations</p>	<p>Proper orientation of REB and PBS should be given. Roles and responsibilities of all concerned should be clear cut and specified. Curriculum of Utan-Bhathak (community meeting) must be designed. Accountability and supervising techniques should be developed. Cordiality and behavioral norms should be highlighted. Essentiality of transparency is there and reasons for load shedding (Peak and off-peak hour, System loss etc.) should be explained clearly in the training sessions. Counseling techniques and how to face the adverse situation related learning inputs. Meaningful utilization of power for poverty reduction. Power use rules and regulation, panel code laws, etc. Measurements for resisting the stealing the electrical goods should be inserted in the curriculum.</p>

Further fact finding missions are planned to various PBS during the period October through December 2006. Political unrest during the coming months may restrict the number and location of visits. In addition the following REB senior management staff will be interviewed during the coming quarter:

- Mr. Syed Sarwar Hossain, Executive Director
- Mr. A.B.M Ali Hossain, Director (Central Zone)
- Mr. Sedeq Hossain, Director (South Zone)
- Mr. Shokat Ali Khan, Director, Loss Reduction
- Mr. Ahsanul Haque, Deputy Director, Program Planning
- Mr. Hazari Lal Sarker, Deputy Director (Central Zone)
- Mr. Latiful Azam, Deputy Director
- Mr. Dohidul Islam, PS to Chairman
- Mr. Muhammad Khaled Hossain, Deputy Director (Central Zone).