



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information of Debre Markos University FOR

DORMITORY, CLASSROOMS, CAFETRIA & SEPTIC TANKS

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LIST OF ACRONYMS

AP	Assurance Professional
BoQ	Bill of Quantities
BDS	Bid Data Sheet
CoST	Construction Sector Transparency Initiative
CDSCo	Construction Design Share Company
DA	Design Adaptation
EC	Ethiopian Calendar
EIA	Environmental Impact Assessment
ETB	Ethiopian Birr
FS	Feasibility Study
GC	Gregorian Calendar
GCC	General Conditions of Contract
IDS	Infrastructure Data Standard
KM	Kilo Meter
NCB	National Competitive Bidding
ITB	Instruction to Bidders
NCB	National Competitive Bidding
NMSG-EC	National Multi Stakeholder Groups – Executive Committee
Plc	Private Limited Company

PE	Procuring Entity
PPA	Public Procurement and Property Administration Agency
RFP	Request For Proposal
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
VAT	Value Added Tax

1. Executive Summary

CoST – Ethiopia and Aims

These days, construction sector is expanding and growing hurriedly. This phenomenon could easily be observed on massive construction of infrastructures. However, miss management and corruption shall have an adverse effect during planning and implementation phases of the vastly growing constructions sectors. Such phenomenon shall hold back the expected socio economic development and may end up with nationwide disasters.

The Construction Sector Transparency Initiative CoST, is an initiative managed by a national multi-stakeholder group executive committee (NMSG-EC) that represents the interests of government, the private sector, and civil society. The initiative has aimed to improve transparency and accountability of construction projects.

Objectives of Project Level Assurance

Over the long term, increase in transparency and accountability is expected to improve value for money of investments in infrastructure. Hence main objectives of the project level assurance are collecting project information, verifying its accuracy & completeness, analyzing information obtained and producing understandable reports, emphasizing main findings and causes of concerns. An independent Assurance Professional (AP) is therefore appointed by the National Multi Stakeholder Group Executive Committee (NMSG - EC) who will be responsible for assessing the adequacy and

reliability of the disclosed project information, highlighting any causes for concern for the specifically selected projects.

The NMSG-EC uses different criteria for project selection. Sector and status of the project are among criteria used for selection. The project covered under this report was selected from building construction sectors related to university facilities. The on-going status of projects with degree of completion close to 80% or more are considered from status point of view.

The assurance professional has taken responsibility of executing the above mentioned tasks. Description of the project and contracts included in the report with date of disclosure are cited here under;

Date of Disclosure & Assurance; **July 17, 2018 GC.**

Name of the assurance professional; **Anteneh Worku**

Name of The Project; **Construction of Class rooms, Dormitories & cafeteria for Debre markos University at Bure Campus.**

Location of the Project; **The project is located in Amhara Regional State, West Gojam Zone, in Bure town at a distance of 413km from Addis Ababa.**

Starting from planning stage of the project, three contracts have been analyzed, Contract agreement for Design adaptation, construction supervision and construction works have been considered in this report.

Debre markos University is a procuring entity who has went for procurement of all the three contracts. Both design adaptation and contract administration contracts are signed with CDSCo. Contract for the project construction was signed with a local contractor named as Yotek Construction Plc.

- Design Adaptation works contract;

DA work was agreed between the PE and Construction Design Share Company (CDSCo). The agreement was a lump sum agreement. It was signed by the PE on 30/03/15. Total period given for the DA work was 72 calendar days for final Design. The PE has agreed to pay 1,059,937.75 ETB including 15% VAT.

- Construction Supervision contract;

Construction Supervision and contract administration works was agreed on 25th June, 2015. It was made between the PE and the same consultant, CDSCo. The PE has agreed to pay the consultant 71,000 ETB including 15% VAT on a monthly base. Information obtained from PE shows that the university has made selective bid procedure based on administrative council decision. However, nothing was gained on details of the selection procedures.

- Civil Works (Construction) Contract;

As only one bidder has participated on the contractors' procurement process, it would be difficult to say that the bidding process found during procurement of the consultant is a competitive bid that ensures value for money. Moreover, there was no any step at which the contractor's financial offer was checked for its comparability with market price and/or engineer's estimation. During technical evaluation process, the legal requirements of the contractor was checked only for responsiveness of the bid document signature and seals. Others such as VAT registration, Trade license, Trade registration license & Contractor license availability and renewal responsiveness are not described and found on the technical evaluation report.

Construction agreement was made between the PE and Yotek Construction Plc. Date of signing the contract was 27/10/2007 E.C. Then again, this date is from monthly report and the agreement states 1st June, 2015 GC. Contract value of the main agreement is 362,654,295.15 ETB. Total period of the contract time was originally 600 calendar days. This period was extended by more than 64% for different reasons. More than 5 rounds of time extension evaluation and entitlement documents are encountered during up to date life time of the project. Details of the reasons are described in other contents of this report. Beyond delaying the project, this has clearly subjected the PE to additional consultancy fee being made on monthly bases. The project cost has also overrun by ETB 11,757,369.89 from the originally signed amount. Variations such as additions & omissions are root causes of the overrun. According to the consultant's monthly report made for the month of Yekatit, 2010 E.C. percentage of work planned is 102.21 and percentage of actual work achievement is 102%. Values of total work in percent is shown as 103.02%. Payment certified in percent is indicated as 98.94%.

2. INTRODUCTION

➤ **Overview on overall content of the Report**

The Construction Sector Transparency Initiative (CoST) seeks to improve transparency and accountability in publicly financed construction projects. CoST-Ethiopia has been trying to enable selected procuring entities to carry out the assurance process by themselves. Though some of the PE were successful on mainstreaming of assurance program, there are still a lot of PE who are still unable to successfully publicize project information.

Hence CoST-Ethiopia has requested professionals to compile project information, make verifications and prepare disclosure document that contains causes of concern. From building sector, university facility construction projects were selected for assurance process. Among them, Debre markos university is a PE to which the AP who prepared this report is assigned for. This report is, therefore, a disclosure document that contains causes of concern found on the assurance process.

The AP has made site and PE main offices visits in two rounds. Project information were collected during those two trips. PE representatives were physically communicated and fruitful discussions were conceded. Though, the consultant representatives were not on site, they were communicated through telephones and email communications. The same holds true for contractors.

➤ **Objectives of the Assurance Process**

Main objectives of the assurance process are, as described in the executive summary part of this report, the Procuring Entities (PEs) are required to release project information on the selected projects. In order to ensure that the information released by the Procuring Entities is both accurate and available in a form that can easily be understood by the stakeholders, it is required to be verified and analyzed by experts of Assurance Professionals (AP) who are appointed by the National Multi – Stakeholder Group Executive Committee (NMSG-EC). The Assurance Professionals will carry out these activities and produce reports that will assist the NMSG-EC and other stakeholders to evaluate the level of transparency and governance of the relevant projects. The Assurance Professionals task has different phases; the AP collects information and verifies that the Project Information (PI) is both complete and accurate. Following this phase, the AP analyzes the disclosed data and interprets in to a report that will be more easily understood by the general public.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete and accurate. Analysis shall be performed based on available information and causes of concern will be addressed to the general public in an intelligible manner.

➤ **Activities of the Assurance Process**

Preparation of work schedule

Right after signing of the contract agreement with CoST-Ethiopia, the professional has prepared a work schedule to perform the assurance process on a project to which assignment was made. The schedule has helped the professional to perform main activities of the process in a sequential manner. It also helps for monitoring status of mile stone activities.

Collection of Information and Data Verification

CoST-Ethiopia has given introduction letter to the AP. The same letter was taken to the PE by the AP. Out of the PE'S project manager and project officer, the AP has confirmed that the project officer has already resigned from the PE. Hence The AP has communicated the PE's project manager Ato Leta Hora for assurance of the subject project. The PE's procurement department head, Ato Getachew, has also been communicated. The consultant's representative and the contractors project manager was communicated both on telephone and emails. From the consultant's head office, Ato Getu and Ato Girma was communicated to collect information related to procurement of the contractor.

Succeeding to communications with concerned individuals from involving entities on project realization process, relevant documents such as bid invitation announcement document, technical evaluation reports, financial evaluation reports, latest monthly reports, pictures which shows current physical status of the project, contract document for design adaptation, contract document for construction supervision and contract document for physical construction were collected. Though few of them are still missing, information related to both the project cost and time changes were collected.

Highly relevant documents for assurance of the procurement process of the consultant is still missing. Furthermore, in comparison with CoST-Ethiopia disclosure format annexed with this report, documents which are mainly relevant for finding information regarding

- i) individual changes to the contract which affect the price and reasons for those changes
 - ii) individual changes to the contract which affect the work program and reasons for those changes
- are found to be incomplete.

Analysis to make informed judgments

Once data has been collected and verified, the AP has interpreted the disclosed data to make it more easily understood by the general public. The public is particularly concerned about getting ‘value for money’ in publically funded construction projects. From the data being released on cost, time and quality of the project under discussion, the AP has also made informed judgments. While making analysis, particular attention was paid to variations in cost and time. On the basis of such analysis, causes of concerns are highlighted in the report.

Preparation of Report

Preparation of this draft report, containing the collected data, verifications, analysis and causes of concern, is also part of key activities of the AP. The report, furthermore, comprises recommendations and conclusions to NMSG-EC. Based on feedback of the draft report, a final report incorporating all relevant comments obtained from multi-group stakeholders at different stages of the process will be prepared by the AP.

➤ Challenges of the assurance process

Two critical challenges, which has potentially delayed and affected the assurance process, are national strike and information accessibility problems. The country has faced a national strike in relation to political issues. As a consequence of the strike, it was really impossible to get transport access neither to the project site nor to the PE’s university location. Transport accessibility and social security was gained after stability of the nation’s political situation. Considerable delay was resulted from this national turmoil.

The other critical problem is, as usual, accessibility and unavailability of relevant IDS documents. Some of IDS documents were easily obtained just during the first round trip to the project. This relevant documents were obtained due to appreciable cooperation of the PE’s project manager, Ato Leta Hora.

List of relevant documents obtained effortlessly;

- Copy of change order documents related to cost of the project. About nine rounds of change orders have been given to the contractor. They encompass additions, omissions and new work orders. These documents are one of top priority documents for the assurance process.
- Copy of change order documents related to time program of the project. About four rounds of time extension documents were collected during the same site visit. They encompass different time extensions entitled to the contractor. These documents are also part of top priorities for the assurance process.
- Latest monthly report made by the consultant. The Latest monthly report received was for the month of 'Yekatit', 2010 E.C.
- Contract agreement made between the PE and consulting firm to perform Design Adaptation works. It is entitled as **“DESIGN AGREEMENT BETWEEN DEBRE MARKOS UNIVERSITY AND CONSTRUCTION DESIGN SHARE COMPANY FOR SITE ADAPATION WORKS OF SITE ADAPTATION LOT I (CAFETERIA, DORMITARY & CLASS ROOM BUILDINGS AT BURE CAMPUS)”**.
- Contract agreement made between the same consulting firm and the PE to get services on construction supervision and contract administration works. It is entitled as **“AGREEMENT BETWEEN DEBREMARKOS UNIVERSITY AND CONSTRUCTION DESIGN SHARE COMPANY FOR SUPERVISION & CONTRACT ADMINISTRATION WORKS OF LOT 1 (Dormitory, Cafeteria and Class room) AT BURE CAMPUS”**.
- From the main agreement made for the works, between the PE and the contractor, main agreement pages and only copy of special conditions of the contract was availed. Complete copy was not availed by the PE for reasons related to copying each pages of such a huge document was simply tedious for them.

List of relevant documents obtained with effort; (These are documents obtained from the consulting firm head office with appreciable cooperation of Ato Getu)

- Scanned copy of bid invitation document. Means of advertisement could not be confirmed from the availed document as it is only a scanned A4 size paper. But it could be observed, from the usual trained and the way it was written on the scanned document, that it was announced on newspaper.

- Technical evaluation report; It is entitled as **“TECHICAL EVALUATION FOR LOT 1 CLASS ROOOM, DORMITARY AND CAFTERIA FOR DEBREMARKOS UNIVERSITY AT BURE CAMPUS”**
- Financial evaluation report; It is entitled as **“FINANCIAL BID EVALUATION FOR DEBRE MARKOS UNIVERSITY DORMITARY, CLASS ROOM, CAFITERIA & KITCHEN LOUNDARY, 90M3 SEPTIC TANK AND SITE WORK (Lot 1)”**.

List of relevant document obtained with extra effort; (This is document obtained from the consulting firm head office with appreciable cooperation of Ato Girma)

- A complete copy of the main contract agreement document. It is an agreement signed between the PE and the contractor for the physical construction works. This document is a highly vital document for the assurance process by serving as a takeoff ground for analyzing individual changes to the main contract. It is entitled as; **“DEBRE MARKOS UNIVERSITY DORMITORY, CLASSROOM, LIBRARY, CAFTERIA, KITCHEN & ADMINISTRATION OFFICE BUILDING AT DEBREMARKOS”**

List of unavailable Documents;

- According to design and site adaptation agreement, one of the scope of services to be delivered by the consultant is Engineer’s Estimate. The PE has replied that the Engineers’ estimate was done by CDSCo and it can be found from the consultants’ head office. However, the figure could not be obtained from anywhere.
- It is quite clear that before going for procurement, feasibility studies are important for success of the project. The PE has mentioned that the project was just initiated based on the university’s strategic plan.
- The PE’s estimated budget for the project with major breakdowns was not found.
- The PE has replied that Letter of award is found at the consultant’s head office. But it could not be found.
- In reference to the consultant’s letter with no. 610/445/21/2009 dated on 09/02/2009, a total sum 52 days’ time extension was approved up to the date of lettering. Out of which 50 days were already approved earlier and 2 days were approved on currently analyzed attachment

with the referred letter. However, any document containing details of reasoning, analysis & justification of the already approved 50 days could not be obtained.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

The project is owned by Debre Markos University. It is one of universities located in Amhara Regional State. Construction of the project is contractually named as “DEBREMARKOS UNIVERSITY DORMITARY, CLASSROOM, LIBRARY, LABORATORY, CAFETERIA, KITCHEN & ADMINISTRATION BUILDING AT DEBRE MARKOS PROJECT No D8-08/2006”. However, there are no LIBRARY, LABORATORY & ADMINISTRATION BUILDINGS in details of the BoQ. It looks it is an editorial error. The project is classified not road or water sectors but in Building Construction sector. Taking the capital Addis Ababa as a starting reference, the project is located at a distance of 413kms in the north west direction. It is specifically located in Amhara Regional State, West Gojam Zone at Bure town. In fact, the procuring entity head office is located in Debre Markos town in the university’s premises. Consultant for both design adaptation and construction supervision is “**Construction Design Share Company**”. According to information from monthly report, the consultants official name is changed to “**Ethiopian Construction Design & Supervision Works Corporation Building and Urban Design & Supervision Works Sector**”.

The project is funded by government budget. The project is intended to construct 7 dormitory blocks & laundry, 3 class room blocks, 1 cafeteria with kitchen and 2 septic tanks each with 90m3 capacity. The contractor, Yotek Construction Plc, has originally signed to construct the project in 600 days. However, there is a considerable time over run for different reasons mentioned in other part of this report. The project has also faced cost overrun.

3.2 Scope of the project

According the contract document cover page scope of the work is extended up to inclusion Laboratory and administration staff building. However, while referring to details of the project BoQ, scope of major works in the project are;

- Seven blocks of dormitory,

- Three Blocks of class rooms,
- One block of cafeteria and Kitchen,
- Seven Blocks of Laundry,
- Two septic tanks each with 90 cubic meter capacity

Under the general item, facilities to the Engineer and his staffs are included in the scope of the project. However, these facilities shall remain functional only till the project construction life time.

3.3 Socio Economic Benefits of the Project

One of fundamental document required during data collection is FS, made before decision on procurement of the project, was not found from PE. Hence any written document that clearly explains well studied socio economic benefits of the project could not be included here in the report.

However, it can generally be said that it is very important in expanding the university's student intake capacity and opening of additional departments. Students completing high school programs from local communities will have a better opportunity to join university at their surroundings without need of going for far distance. The project will add to quantity and quality of students graduating each year as a country and particularly from Amhara region. As mentioned earlier on location of the project, when a large number of students will reside at Bure campus, it shall have an encouraging impact in developing socioeconomic condition of Bure town. It means a large number of basic necessities such as food preparation, stationary & hygiene keeping materials consumption and transportations to center of the town shall also create additional job opportunity to the surrounding local residents.

3.4 Undesired Impacts of the Project

The project does not have any EIA studies handed over on data collection. But from conversations made during site visit, it was understood that the land occupied for the campus expansion program and project construction, was originally a fertile land which had been farmed for long time back. Therefor when the project has come in to reality, production capacity of the

locality will be a bit affected adversely and also some local residents was subjected to relocation from their prior settlements.

3.5 Source Funding and Project Cost

Based on information from the PE's procurement head and the PE's project manager, source of funding for the project a government budget allocated to Debre Markos University. On the bid invitation paper, it is cited saying that "The Debre Markos University have funds with in the Employer's budget to be used for the procurement of Debre Markos university Expansion". This shall clearly confirm that it is funded by the university's budget financed by the Ethiopian Government.

Unfortunately, any document that shows a figurative amount of budget allocated for the project and engineering estimation figure are not available. But it could be understood from the contract document that the project total cost including 10% contingency and after 15% VAT is ETB 398,919,724.67 (Three Hundred Ninety-Eight Million Nine Hundred Nineteen Thousand Seven Hundred Twenty-Four and 67/100). The project cost before contingency and after 15% VAT is ETB 362,265,429.52 (Three Hundred Sixty-Two Million Two Hundred Sixty-Five Thousand Four Hundred Twenty-Nine and 52/100).

3.6 Project Duration

The project was signed on 1st June, 2015 GC. From Clause GCC 72.1 of SCC (special conditions of contract) and monthly report of the consultant, intended completion date for the whole work was 600 Calendar Days. Mobilization period was 21 Calendar days. The monthly report states that commencement date of the project is 27/10/2007 EC. As per the same report, the project intended completion date was 15/06/2009 EC.

Additional time given to the contractor is 24 calendar days. Extension of time approved so far is 288 Calendar days. Thus the report states that the revised completion date is 09/02/2010 EC. Nevertheless, the project is found to be extremely close to completion, the revised completion date has already passed and the project is not still handed over to the PE in a form of provisional acceptance at the month of 'Yekatit', 2010 EC.

4. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR ENGINEERING DESIGN & SITE ADAPTATION SERVICE

4.1 DISCLOSURE OF PROCURMENT INFORMATION

4.1.1 OVERVIEW OF THE PROCURMENT PROCESS

The service contract for design & site adaptation works was undertaken by the former CDSCo. Any document that shows the way how the design and site adaptation consultant was procured by the PE could not be obtained. The only formal information gained so far shows that since the consultant is a governmental organization, the university has made a selective bid procedure based on the PE's administrative council decision. Both the PE project manager and procurement head of the PE (head at the university level) were communicated regarding documents and stories on how the procurement was made. Yet, none of them has neither the procurement document nor knew the story behind.

Additional document obtained in relation to the design and site adaptation service is a contract agreement made between the two parties. The contract was signed by the employer on 30/03/15 GC. The agreement indicates that the General Conditions of contract of Public Procurement Agency (PPA) January, 2011 shall be deemed to form and be read and construed as part of the agreement. Hence, PPA Version 1 July, 2011 GC. shall serve as a ground reference for analysis of information. Scope services included in the agreement are final engineering design services, design reports, engineer's estimate and final document incorporating comments received on final design and tender documents.

4.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

4.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness of the disclosed procurement information is compared against CoST-Ethiopia disclosure format. CoST disclosure format is annexed with this report. Therefore, completeness of the information is highly dependent on the disclosure format crucial information revealed by the PE. So long as any document showing the procurement process is assessed, the following missing information will come in to picture.

- Publication of request for proposal to the short listed bidders
- Bid collection, opening, evaluation and conclusion process or

- Any letter of order or minutes of meeting which could be substantial ground for the procuring entity to select the current consultant

While completeness of the consultant's procurement process is measured, information obtained from the PE can reasonably be taken as incomplete due to fundamentally missing information & documents.

4.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis shall be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be considered as accurate. If any differing and new opinions and/or documents are gained, it shall be incorporated on the final report.

4.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

4.1.3.1 COMPLIENCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is no any advertisement document, to invite short list bidders was found. Or else, any minutes of meeting by which decision was made to select the current consultant was found. On the other hand, according to Section I, INSTRUCTION TO BIDDERS on clause 1.1, it is stated that

"The Public Body is the Contracting Authority for this procurement process and it is bound by the rules governing public procurement in the Federal Democratic Republic of Ethiopia. It has the **powers and duties** to conclude a Contract for the provision of Consultancy Services."

and according to clause 1.2 of the same reference it is stated that,

"By the issue of this Request for Proposals the Public Body invites shortlisted Consultancy firms / organizations (hereinafter called the Consultants) to submit their Bid Proposals containing the Technical and Financial Proposals separately with a view to entering into Contract with the Public Body for the provision of Consultancy Services which general description is provided in the BDS. The Bid Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant. The Consultancy Services that are subject of this procurement

process are more particularly specified in Section 6, Terms of Reference upon the basis of the information supplied in and in accordance with this Request for Proposals.”

Based on the referred clauses, it can be judged that the AP cannot be certain to see the procurement process of advertisement is in compliance with regulations of PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011.

4.1.3.2 EFFICIENCY OF THE PROCURMENT PROCESS

The time up on which the PE has invited consultants by sending request for proposal is not known. Dates of submission bid proposals, bid opening, bid evaluation and award of the contract are all missing. Hence, no any conclusion could be induced on time efficiency matters.

But then again, based on information on the contract agreement between the PE and consulting firm, 75 calendar days were given for the final design. The date up on which the engineer has successfully submitted his final design is still not known. But if it was done in the 75 days, it could be concluded that it was really efficient.

4.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011 are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are certainly fair.

4.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

For the fact that no document that shows tender invitation, submission of proposals, tender opening, tender evaluation and award, the AP is unable to see any information that shows the tender process through which the consultant was selected is transparent.

4.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The PE has already obtained the consultancy services for which it was desirous. The project has already been realized and is on the approach of provisional acceptance. As a result, the overall objectivity of the project was met. But, in a similar fashion with the item on 4.1.3.4, no one can say that the tender process has met its objectivity in the absence of the process itself.

Similarly, in the absence of any information on the whole tender process, no one can still say that the award criteria have successfully been met its objectivity and there by enabled the employer to get a consulting firm followed by a reasonable competition.

4.1.3.6 COMPTITIVENESS OF THE AWARD PRICE

Rendering to information on the consultancy service contract agreement between the PE and the consultant, the award price with which the consultant shall attend up to scope of service stated on contract is 1,059,937.75 (One Million Fifty-Nine Thousand Nine Hundred Thirty-Seven and 75/100) including 15% VAT.

The major services to be rendered by the consultant are;

- Architectural Design
- Structural Design
- Sanitary & Mechanical Design
- Electrical Design
- Design Report on each of the above
- Engineer's Estimation
- Preparation of Tender Document and
- Other additional services mentioned on the contract.

The period given for rendering those services is 75 calendar days. Therefore, taking scope the services (services not only for Bure campus but also Soil Investigation service for Debre markos University main campus), the period given and mainly the cost breakdown presented by the consultant in to consideration, it could generally be concluded that the award prices is competent.

4.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the time of project information collection and reporting, the project is financially at a progress of 102%. As per the consultant's monthly report, completion would be at 103.02 %. There is no

any information gained on actual cost & time related performance of the consultant. But, the PE has confirmed that there was no any cost, time and scope changes during design performance of the consultant.

4.2 DISCLOSURE OF CONTRACT INFORMATION FOR ENGINEERING DESIGN AND SITE ADAPTATION WORKS

4.2.1 OVERVIEW OF THE CONTRACT

The contract agreement between, the PE Debre Markos University and the consulting firm Construction Design Share Company, was signed on 06/03/15 GC by the consultant and on 30/03/15 GC by the PE. According to Special Conditions of Contract (SCC) attached with the agreement, clause GCC 27.1 the time period with in which the service has commenced was 7 days after signing the agreement. Clause GCC 28.1 also refers that intended completion date for the final design services is 75 Calendar days.

Scope services cited under the agreement are design services consisting of site adaptation to tender document preparation for Lot I (Cafeteria, Dormitory & Class Room Building at Bure campus and Soil Investigation for Lot II & III (Dormitory, Class Room & Library Buildings) at Debre Markos University.

The design shall take in to account;

- ✓ The data in pre-design stage
- ✓ Appropriate design standards and codes
- ✓ Municipal and other public body requirements
- ✓ The Best method of incorporating materials available in the project locations.

Details scope of services are already mentioned under item 4.1.3.6. But, the General Classifications of the service are

- ✓ Final Design (Sub Structure & Superstructure)
- ✓ Draft Tender Document
- ✓ Final Document.

4.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, information was requested from the PE. But nothing was gained in relation to the contract information of the consultant's design service. The only current source of information related with both procurement and contract information disclosed on this report is from the design adaptation contract agreement. Thus source of information used for contract information disclosure is the mutual agreement.

Though details on how the consultant has discharged its contractual obligations was not found, the PE has confirmed that there was no change on both cost and time of the design agreement. With the understanding that no any design consultancy related document was acquired from the PE, variance of information could not be substantiated. As a result, the PE's explanation confirms that no variances had happened.

Alternatively, the actual way by which the consultant has discharged its contractual responsibility is not known. The only thing known from the PE, is presence of design related change orders and time lost due to clarifications of ambiguities between different types of drawings. To end up to this point, the AP concludes that the way the consultant has actually served the PE was not either documented or not properly monitored by the PE.

4.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

There is no any information that shows there is a change as compared to the original contract price. The PE has stated that it was done as per the contract. Due to this reason neither justification for price changes nor explanation of unjustified price changes to be included in the report.

4.2.3.2 ISSUES RELATED TO CONTRACT DURATION

There is no any information that shows there is a change as compared to the original contract duration. The PE has stated that it was done as per the contract. Due to this reason neither justification for duration changes nor explanation of unjustified duration changes to be included as part of this report.

4.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

The actual manner by which the consultant has performed could not be found from the PE. Hence there is no any information that shows there is a change as compared to the original contract scope. The PE has stated that it was done as per the contract Due to this reason neither justification for scope changes nor explanation of unjustified scope changes to be included as part of this report.

5. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION & CONTRACT ADMINISTRATION SERVICE

5.1 DISCLOSURE OF PROCURMENT INFORMATION

5.1.1 OVERVIEW OF THE PROCURMENT PROCESS

The service contract for design & site adaptation works was undertaken by the former CDSCo currently named as Ethiopian Construction Design & Supervision Works Corporation Building and Urban Design & Supervision Works Sector. Any document that shows the way how the supervision consultant was procured by the PE could not be obtained. Both the PE project manager and procurement head of the PE (head at the university level) was communicated regarding documents and stories on how the procurement was made. Yet, none of them has neither the procurement document nor knew the story behind.

The only document obtained in relation to the design and site adaptation service is a contract agreement made between the two parties. The contract was signed by the consultant on 15/12/07 EC. The agreement indicates that the General Conditions of contract of Public Procurement Agency (PPA) July, 2011 shall be deemed to become as part of the agreement. Hence, PPA Version 1 July, 2011 GC. shall serve as a ground reference for analysis of information. Scope services included in the agreement are construction supervision and contract administration works.

5.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

5.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness of the disclosed procurement information is compared against CoST-Ethiopia disclosure format. CoST disclosure format is annexed with this report. Therefore, completeness of the information is highly dependent on the disclosure format crucial information revealed by the PE. So long as any document showing the procurement process is assessed, the following missing information will come in to picture.

- Publication of request for proposal to the short listed bidders
- Bid collection, opening, evaluation and conclusion process or
- Any letter of order or minutes of meeting which could be substantial ground for the procuring entity to select the current consultant

While completeness of the consultant's procurement process is measured, information obtained from the PE can reasonably be taken as incomplete due to fundamentally missing information & documents.

5.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis will be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be considered as accurate. If any differing and new opinions and/or documents are gained, it shall be incorporated on the final report.

5.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

5.1.3.1 COMPLIENCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is no any advertisement document, to invite short list bidders was found. Or else, any minutes of meeting by which decision was made to select the current consultant was found. On the other hand, according to Section I, INSTRUCTION TO BIDDERS on clause 1.1, it is stated that

“The Public Body is the Contracting Authority for this procurement process and it is bound by the rules governing public procurement in the Federal Democratic Republic of Ethiopia. It has the **powers and duties** to conclude a Contract for the provision of Consultancy Services.”

and according to clause 1.2 of the same reference it is stated that,

“By the issue of this Request for Proposals the Public Body invites shortlisted Consultancy firms / organizations (hereinafter called the Consultants) to submit their Bid Proposals containing the Technical and Financial Proposals separately with a view to entering into Contract with the Public Body for the provision of Consultancy Services which general description is provided in the BDS. The Bid Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant. The Consultancy Services that are subject of this procurement process are more particularly specified in Section 6, Terms of Reference upon the basis of the information supplied in and in accordance with this Request for Proposals.”

Based on the referred clauses, it can be judged that the AP is unable to see that the procurement process of advertisement is in compliance with regulations of PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011.

5.1.3.2 EFFICIENCY OF THE PROCURMENT PROCESS

The time up on which the PE has invited consultants by sending request for proposal is not known. Dates of submission bid proposals, bid opening, bid evaluation and award of the contract are all missing. Hence, no any conclusion could be induced on time efficiency matters.

But then again, based on information on the contract agreement between the PE and consulting firm, 600 calendar days were given for providing consultancy services. The project is still under construction and the contract time has exceeded by 64%. Even though the consultant was assumed to serve for 600 calendar days, the consultancy service is still running for the extended period.

5.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE

BIDDING (NCB) Version 1, July 2011 are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are certainly fair.

5.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

For the fact that no document that shows tender invitation, submission of proposals, tender opening, tender evaluation and award, the AP is unable to see any information that shows the tender process through which the consultant was selected is transparent.

5.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The PE is still getting the consultancy services for which it is desirous. The project has already been realized and is on the approach of provisional acceptance. As a result, the overall objectivity of the project was met. But, in a similar fashion with the item on 4.1.3.4, no one can say that the tender process has met its objectivity in the absence of the process itself.

Similarly, in the absence of any information on the whole tender process, no one can still say that the award criteria have successfully been met its objectivity and there by enabled the employer to get a consulting firm followed by a reasonable competition.

5.1.3.6 COMPTITIVENESS OF THE AWARD PRICE

Rendering to information on the consultancy service contract agreement between the PE and the consultant, the award price with which the consultant shall attend up to scope of service stated on contract is ETB 71,000.00 (Seventy-One Thousand Only) including 15% VAT on monthly basis.

The major services to be rendered by the consultant are;

- Review of contractor's work program
- Checking setting outs
- Supervision and quality control
- Examining any approval
- Evaluating contractor's claims, disputes and time extensions
- Monitor progress of the work, prepare monthly and quarterly progress report
- Conduct regular site meetings to resolve any area of conflict and disputes

Sanitary & Mechanical Design

- Other additional services mentioned on the contract.

The period given for rendering those services is 600 calendar days. Therefore, taking scope the services and mainly the cost breakdown presented by the consultant in to consideration, it could generally be concluded that the award prices is competent.

5.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the time of project information collection and reporting, the project is financially at a progress of 102%. As per the consultant's monthly report, completion would be at 103.02 %. Actual facts on the ground shows that the project has disrupted far beyond its originally intended construction life time limitation. But, one or the other way, the project at this stage is currently far enough to be close to provisional acceptance stage.

5.2 DISCLOSURE OF CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION AND CONTRACT ADMINISTRATION

5.2.1 OVERVIEW OF THE CONTRACT

The contract agreement between, the PE Debre Markos University and the consulting firm Construction Design Share Company, was signed on 25th June, 2015 GC. According to Special Conditions of Contract (SCC) attached with the agreement, clause GCC 27.1 the time period at which the service has commenced was site handover date the work contract. Clause GCC 28.1 also refers that intended completion date for the construction supervision & contract administration works is 600 calendar days with possible extension of the service time in case the project is not completed in the specified time frame.

Scope services cited under the agreement are construction supervision and contract administration services for Lot I (Cafeteria, Dormitory & Class Room Buildings) at Bure campus.

The supervision and quality control works shall include;

- ✓ Conduction of necessary inspections during sampling, testing and analysis.
- ✓ Inspecting materials delivered to the site weather it complies with specifications or not

- ✓ Checking the work is conducted according to drawings and specifications
- ✓ Review, approval of and issuing of measurements and payment certificates
- ✓ Advising, the procuring entity on the need for special inspection or testing other those reformed in the contract document

Details scope of services are already mentioned under item 4.1.3.6. But, the General Classifications of the service are

- ✓ Construction supervision works and
- ✓ Contract administration works.

5.2.2 ACCURECY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, missing information and points requiring clarifications were requested from the PE and the consultant. But no any reply was gained in relation to the requested clarifications and missing documents. The only current source of information related with both supervision and contract administration disclosed on this report is from the consultancy contract agreement, monthly report prepared by the consultant and construction work variation documents received from the PE.

With the understanding that no any reply for the missing documents and clarifications was acquired from the PE & the consultant, the AP is going to determine that the only occurred variance on the consultant's service is the extended service being given to the PE during periods beyond the 600calendar days.

To end up to this point, the AP concludes that the PE is already exposed to incurred service costs on periods exceeding the intended completion time.

5.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

Basically the agreement made for supervision and contract administration services is on monthly bases and it is ETB 71,000.00 (Seventy-One Thousand only) including 15% VAT. There is no any change on both monthly services and contract price paid per month. The problematic part is

when it becomes to the originally intended period for which the service was planned to be given and the actual period up to which the service is being given.

Monthly report of 'Yekati' 2010 EC indicates that additional time given is 24 calendar days and time extension approved is 288 calendar days, the sum of which becomes 312 calendar days. When the sum is turned in to months, the extended period is approximately 10.4 months. Therefore, it would be easy to understand that the PE has already lost 10.4 months x 71,000 ETB/month = 738,400 ETB during those extended periods.

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

By means of the same reasoning given above, the original contract duration was 600 calendar days while the calculated one has become about 912 calendar days. Report for the month of 'Yekatit' 2010 EC. shows even more days of delay and it is figuratively about 986 calendar days. Consequently, if delay on the report is referred, it becomes even more overdue duration. It can be concluded that the contract duration is more prolonged by 64.33%.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

It has already been concluded that the contract duration was prolonged beyond the original limitation by 64.33%. The extended duration shall have no any impact on scope of the work. In contrary to the extension, scope of the work remains as it was and unaffected throughout the whole stretched time period.

6. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR THE WORKS CONTRACT

6.1 DISCLOSURE OF PROCURMENT INFORMATION

6.1.1 OVERVIEW OF THE PROCURMENT PROCESS

The contract agreement for the works contract has been signed on June 1st, 2015 GC. between Debre Markos University and Yotek Construction Private Limited Company. Invitation to bid was announced on 05/03/2015 GC. Interested eligible bidders could purchase a complete set of bidding documents as of '**Megabit**' 01, 2007 EC. Submission date of bid proposal was announced to be on **Miazia**01, 2007 EC. Building and General contractors whose grade is a category of BC-2/GC-3 & above with valid licenses were invited to take part in the bidding.

Following the bid invitation announcement, 8 bidders had collected the bid document from CDSCo head office. It was only one bidder who has submitted his bid offer to the CDSCo. This contractor was evaluated both technically and financially to check for his responsiveness and acceptance by the PE. Lastly, the contract was awarded to Yotek Construction Private Limited company.

6.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

6.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness compared against the disclosure format annexed to this report, it shall be highly dependent on documents released by the PE and the consultant, CDSCo. So long as most important documents showing the procurement process such as bid invitation announcement, number of bidders who purchased the bid, contractors who submitted their bid offer, technical evaluation documents and financial evaluation documents are found, it could be determined that the procurement disclosure information is complete. The only missing document is award letter. Since contract agreement and participation of only one contractor is known, the missed document does not significantly affect completeness of the disclosed procurement information.

6.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis will be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be deemed as accurate. If any differing and new opinions and/or documents are gained, it shall be incorporated on the final report.

6.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

6.1.3.1 COMPLIANCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is an evaluation methodology and criteria signed and attached to the contract agreement. The evaluation methodology and criteria is taken from **SBD-Works (NCB) – prepared by the PPA, Version 1**

August, 2011 GC. Henceforth, this document is reserved as a reference for assessing compliance of the procurement process with rules.

Announcement of the bid and contents inside the announcement are all in line with standard requirements. The validity period given was one month (30 days) and this shall also meet minimum requirement of PPA procurement manual 'Hamle' 2002 EC. 8 Bidders have collected the bid document. List of companies who collected the bid is not indicated in the bid evaluation report. It was only one bidder who has submitted his bid offers to the CDSCo. The consultant is also checked if there is any barrier that holds the bidders to submit their proposals, and has confirmed that there was nothing which discriminates one from the other during the tender process.

At this stage where only one bidder has submitted the bid proposal; though PPA 2011 procurement manual supports that fair competition should be encouraged, the competition encouragement cannot be achieved with one bidder. However, this may not be cause for whole bid rejection and going for re-bidding. But, instead of re-bidding and to proceed with the evaluation, at least the price offered by the bidder must be comparable to or less than market price (Engineer's Estimation) of the object procurement. Any written document that shows the comparison before proceeding with one bidder was not found. Clarification was also requested for this matter and no response is gained.

Therefore, the AP could not see while the procurement process has encouraged fair competition.

The bid opening date was 01/08/2007 EC. at CDSCo head office at the time cited on the bid invitation announcement. Attendants who attended the bid opening session are tabulated on annex- 2. Presence of the PE Representatives and the consultant representatives shall make the session to be in compliance with requirements.

SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC indicates that the evaluation methodology and criteria are;

- ❖ Legal Qualification of the bidder
- ❖ Professional qualification and capability of the bidder
- ❖ Technical qualification, competence and experience of the Bidder
- ❖ Financial Standing of the bidder

Requirements against which the consultant has checked for technical responsiveness of the bidder are also tabulated and annexed with this report.

Requirements against which the consultant has checked for technical responsiveness of the bidder are annexed with this report. Tables found from the consultant's evaluation report and which shows legal qualifications (Table-2), bid security responsiveness (Table- 3) and financial standing of the bidders (Table-4) are all to be referred from annex-2

According to the information gained from the consultant's technical evaluation report, facts which the consultant has taken in to consideration for examining responsiveness of the contractors' technical qualification, competence and experience can also be referred from annex-2. However, few requirement details taken from evaluation criteria of the FPPA in comparison with what was obtained from the consultant's technical evaluation report are tabulated here under;

Table 6- Comparison of Bid Criteria

Factor	Requirements	Remark
1. Legal Qualification of the Bidder		
Registration in the PPA's suppliers list	Having been registered in the PPA's suppliers list in accordance with ITB clause 4.7	Not seen on the report
Debarred by the decision of PPA	Having not debarred by PPA in accordance with ITB clause 4.3	Not seen on the report
Valid Trade License or business organization registration	Having been submitted trade license or business organization issued by the country of establishment in accordance with ITB clause 4.6	Not seen on the report
Valid tax clearance certificate	Having been submitted valid tax clearance certificate issued by the tax authority in accordance with ITB clause 4.6	Not seen on the report
2. Professional Qualifications and Capability of the Bidder		
Number of staffs	At least staffs currently working for the bidder	Not seen on the report
Personals for the key staffs	Staffs mentioned in sub-clause 2.1	Not seen on the report
3. Technical qualification, competence and experience of the bidder		
General & Specific Experience		Checked on the evaluation
Equipment for the implementation of the contract	As per requirements on PPA manuals and directives	Not seen on the report

4. Financial standing of the bidder		
Historical Financial performance	In accordance with clause 17	Checked on the evaluation
Average annual turn over	In accordance with clause 17	Checked on the evaluation

Due to some criterion information not seen on the bid evaluation report, the AP could not be certain to conclude that the procurement evaluation process was in compliance with SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC requirements.

6.1.3.2 EFFICENCY OF THE PROCURMENT PROCESS

Invitation to bid was announced on 05/03/2015 GC. Collection of the bidding documents begins from Megabit 01, 2007 EC. Final Bid submission date was Miazia01, 2007 EC. Bid opening date was also the same date and time. Dates at which technical evaluation was concluded is on 16/08/2007 while the financial evaluation report was signed by reporters on 04/09/2007.

Therefore, from time line point of view, it can be concluded that the procurement process was efficient.

6.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are certainly fair. The contents of the invitation announcement document were also fair and inviting.

6.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

Important tender documents such as bid invitation announcement, number of bidders who purchased the bid, contractors who submitted their bid offer, technical evaluation documents and financial evaluation documents are available, it could be determined that the tender evaluation process was transparent. Moreover, list of individuals who attended the session are already listed and found to be represented from all

the three parties. The only missing information on the report is list of contractors who collected the bid but not submitted their offer. This missing list does not significantly affect transparency of the evaluation process. Subsequently, it can be said that the tender evaluation process was transparent.

6.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

As it was already mentioned under the item 6.1.3.1, there are important criterion which are a must meet requirement while nothing was mentioned in relation these points, on the tender evaluation report. These points are fundamental requirements to assure objectivity of the tender.

Having missed fundamentally a must meet requirement on the evaluation report, it cannot be concluded that the tender has successfully meet its objectivity in conjunction with award criteria.

6.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Any document containing engineering estimation of the consultant before the bid was announced or amount of budget kept by the PE a head of time was not acquired. **Therefor except professional conclusion relaying on inadequate data, nothing can be concluded about competitiveness of the award price.**

6.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the very beginning, the project was planned to be completed within 600 Calendar days at a contract price of ETB 365,654,295.15 (Three Hundred Sixty-Two Million Six Hundred Fifty-Four Thousand Two Hundred Ninety-Five and 15/100 cents) including 15% VAT. Practical fact on the ground has significantly varied. Particularly, the project construction life time has varied by far (by about 64 percent excessive). Cost of the project has also deviated from the original price by ETB 11,757,369.89 (Eleven Million Seven Hundred Fifty-Seven Thousand Three Hundred Sixty-Nine and 89/100 cents). The project has passed through nine rounds change orders and six rounds time extension measures.

6.2 DISCLOSURE OF CONTRACT INFORMATION FOR THE WORKS CONTRACT

6.2.1 OVERVIEW OF THE CONTRACT

The works contract has been signed on June 1st, 2015 GC. between Debre Markos University and Yotek Construction Private Limited Company. The contractor has signed the agreement to execute LOT I Cafeteria, Dormitory & Class Room buildings at Bure town. The PE has accepted the bid offered by the contractor for the execution and completion of such works within 600 calendar days and remedying of any defects therein for the contract price of **ETB 365,654,295.15 (Three Hundred Sixty-Two Million Six Hundred Fifty-Four Thousand Two Hundred Ninety-Five and 15/100 cents) including 15% VAT.**

As stated by the BoQ, actual blocks listed to be carried out by the contractor are dormitory, Class rooms, Cafeteria & Kitchen, Laundry, 90m³ septic tanks and site works. About 986 days have already been elapsed so far and the overall current status of the project is 102.21 % in terms of financial progress. At completion, the project financial status will be about 103.02%.

Up to date (till ‘Yekatit’ 2010 EC.) payment certified to the contractor is **ETB 358,805,287.54 (Three Hundred Fifty-Eight Million Eight Hundred Fifty-Eight Thousand Two Hundred Eighty-Seven and 54/100 Cents) including 15% VAT.** In line with SCC clause GCC 60.2 the amount of advance payment shall be 30 percent of the contract price with 15% VAT and it would be paid to the contractor in accordance with the university's budget. Practically the same amount, which is ETB 108,796,288.50 (One Hundred Eight Million Seven Hundred Ninety-Six Thousand Two Hundred Eighty-Eight and 50/100 cents) was effected to the contractor. An equal amount of advance repayment has been deducted from the contractor's interim payments and 100 % is already paid back to the PE. The contractor's performance bond expiry date is also prolonged up to 26/01/2011 EC and therefore it is still operative.

6.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

Completeness of the disclosed information is measured relative to the CoST-Ethiopia disclosure format annexed with this report. When compared with the reference format, some information related to changes to the contract are still missing. These changes could be cost and/or time related changes. The PE & the consultant was requested for clarifications and missing documents on changes to the contract. Clarifications and availability of missing documents were already

requested through email and telephones. But there is no one who has replied to the requests. Here are few of clarification requiring points and missing documents;

- a. **Clarification;** Reasons for & root cause of need for carrying out 1st round change order number 5233 is not clear from the document.
- b. **Clarification;** Reasons for & root cause of need for carrying out 3rd round change order number 6846 & 5477 is not clear from the document.
- c. **Clarification;** Reasons for & root cause of need for carrying out 4th round change order number 6602 & not numbered change order is not clear from the document.
- d. **Clarification;** Reasons for & root cause of need for carrying out 5th round change order number 5325 is not clear from the document. Moreover, the reason of keeping the addition and omission unit prices the same while the materials are significantly differing (Omitted aluminum and added metal) is not clear.
- e. **Clarification;** Reasons for & root cause of need for carrying out 6th & 7th round change order number 6131 & 6108,6680,6727 are not clear from the document.
- f. **Clarification;** The consulting firm is such a nationally renowned company to know that proper documentation and numbering of change order subject matters is highly vital so as to discharge contract administration responsibility. In contrary to this, it is not clear why two different change orders with the same numbering (both for the 4th & 5th Round) are established? Does that mean total number of change order encountered so far is still not known?
- g. **Clarification;** Reasons for & root cause of need for carrying out 9th round change order (addition) number 6634 is not clear from the document.
- h. **Missing Document;** In reference to the consultant's letter with no. 610/445/21/2009 dated on 09/02/2009, any document containing details of reasoning, analysis & justification of the already approved 50 days could not be obtained.
- i. **Clarification;** According to the consultant's letter with reference number 610/445/63/2009 dated on 28/07/2009 summary of the time extension analysis states that previously approved time extension is 82.4 days. It is not clear how the time extension dated before the reference date becomes 82.5 days.
- j. **Clarification;** According to the consultant's letter with reference number 610/445/63/2009 dated on 28/07/2009, due to rainfall (depth of which is about 7mm), 25

days were entitled to the contractor. Basically, the following four factors shall be taken in to consideration while analyzing delays related to rainfall.

- i- Rainfall depth
- ii- Rainfall Intensity Duration and time
- iii- Justification for unexpectedness of the rainfall or deviation from norms known during signing the contract
- iv- Nature of the works planned during the rain and actual works interrupted and remain uninterrupted (like in outdoor & indoor activities) by the rain.

Yet only the first factor was included in the consultant's analysis. What about others?

While comparing with CoST disclosure format, due to the above mentioned missing documents and clarifications, the AP is unable to conclude that the information is complete.

6.2.2.2 ACCURECY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, missing information and points requiring clarifications were requested from the PE and the consultant. But no any reply was gained in relation to the requested clarifications and missing documents. The only current source of information related with the works contract disclosed on this report is from the works contract agreement, monthly report prepared by the consultant, change orders through which the project has passed, about four different time extensions entitled in different times, the engineer's agreement and bid process related documents. These documents were collected from the PE's project manager and the consultants head office.

With the understanding that no any reply for the missing documents and clarifications was acquired from the PE & the consultant, the AP is going to determine that both cost and time variances already faced by the project are accepted by all concerned parties.

Nevertheless, there some discrepancies among information obtained from variation documents. These discrepancies are two different variation orders with the same naming as change order no. 4 and two different variation orders with the same naming as change order no. 5. Therefore, information related to the change orders sequence is inaccurate.

6.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

Basically the agreement made for the works contract was signed with a contract price of **ETB 362,654,295.15 (Three Hundred Sixty-Two Million Six Hundred Fifty-Four Thousand Two Hundred Ninety-Five and 15/100 cents) including 15% VAT**. As to the monthly report of ‘Yekatit’ 2010EC, cost of the project has also already varied from the original price by ETB 11,757,369.89 (Eleven Million Seven Hundred Fifty-Seven Thousand Three Hundred Sixty-Nine and 89/100 cents). This variation is exceedance calculated from project cost before contingency or excluding the 10% contingency.

There are nine change order documents understood from the PE.

- i) The first round change order has a reference number of 5233. The variation amount is ETB – 13,699,894.51. The negative sign is to mean it is saving. The variation has occurred as a result of additions and omissions found on all the seven dormitory blocks. However, the variation document found so far says nothing on root cause of this addition and omission.
- ii) The second round change order has a reference number of 5438. The variation amount is ETB +8,887,291.45. The variation has occurred as a result of additional work order given to the contractor. Root cause of this variation is that the PE was desirous for construction of temporary student dormitory for 700 students with lower quality materials.
- iii) The third round change order has a reference number of 6846 & 5477. The 6846 variation order amount is ETB +1,888,474.00 before 15% VAT. It has happened on metal work item. The other one, 5477 has happened on dormitory blocks sanitary works. Its amount before 15% VAT is 1,640,263.00. Root cause of the first one is due to change on the size of metal window doors. However, root cause for the sanitary additions and omissions is not indicated on the revealed variation document.
- iv) The fourth round variation order is ETB 901,551,.95. It was faced on additional work order given in relation to electrical works for all the seven dormitory blocks. However, root cause for this variation is not mentioned on the variation document.

- v) There is again another variation order with the same naming as variation order number four. It has a reference number of 6602. It was due to additions and omissions faced on mechanical installation works. Actually, the variation is savings of ETB 951,182.25
- vi) The fifth round variation order is addition of about 770,345.56. This was due to additional roofing, sanitary and electrical work orders all on the seven blocks. However, root cause for the additions is not indicated on the revealed variation document.
- vii) There is again another variation order named as number five. This variation has a reference number 5325. It was due to omission of aluminum hand rail and addition of metal hand rail. The reason why the unit price was kept the same after changing aluminum to metal hand rail is not clear.
- viii) The six round variation order has a reference number of 6131. Its amount is ETB 1,696,860.42. It was due to additions and omissions. However, root cause for this variation is not mentioned on the variation document.
- ix) Variation order number seven has a reference number of 6108, 6608 & 6727. It has happened on the seven dormitory blocks and cafeteria with kitchen. Total amount of additions on this variation is ETB 4,928,257.15. It was due to additional work order. However, root cause of this variation is not mentioned on the revealed variation document.
- x) The eighth round variation order is missing.
- xi) The ninth round variation order has a reference number of 6634. Its variation amount is ETB 8,488,892.24. It was due to introduction of additional work order for waste water drainage system and omission of two units of 90m³ septic tanks by adding two units of each 120m³ septic tanks. Root cause of this variation is not shown on the revealed document.

As it is shown above, essence of origination of the variations are not shown on the collected variation documents. Hence, except variation number two, the AP is unable to conclude that the variations remain correctly justified changes.

6.2.3.2 ISSUES RELATED TO CONTRACT DURATION

The signed agreement for the works contract duration was 600 calendar days. When equated with scope of the contract work, the originally allocated time was reasonable. In contrary to that the project duration is already extended and when calculated it has become about 912 calendar days. Report for the month of 'Yekatit' 2010 EC shows even more days of delay and it is figuratively about 986 calendar days. In reference to delay on the report, it becomes even more stretched duration. It can be concluded that the contract duration is more prolonged by 64.33%.

There are five rounds of time extensions that known from the collected documents of the project. me extension documents collected from the PE.

- i) The first round time extension is about 50 calendar days. A document that contains details of this time extension is not found. Request is already done but it is not yet replied.
- ii) The second round time extension was accepted by higher officials of the PE on 28/07/2009 EC. The number of days approved on this round is 2. It was justified that this time variation has happened due to discrepancy between site work septic tank drawings delay.
- iii) The third round time extension is not found.
- iv) The fourth round time extension was approved by higher officials of the university on 03/09/2009 EC. 127 Calendar days are entitled to the contractor during this round time extension analysis and justification periods. Delay in advance payment, design modification of dormitory blocks, local security problems and delayed site handover are causes of the justifiable duration variations.

Out of the 127 days, due to rainfall (depth of which is about 7mm), 25 days were entitled to the contractor. Basically, the following four factors shall be taken in to consideration while analyzing delays related to rainfall.

- i- Rainfall depth
- ii- Rainfall Intensity Duration and time
- iii- Justification for unexpectedness of the rainfall or deviation from norms known during signing the contract
- iv- Nature of the works planned during the rain and actual works interrupted and remain uninterrupted (like in outdoor & indoor activities) by the rain.

Yet only the first factor was included in the consultant's analysis. Therefore, the AP is unable to find any information on other factors to judge on rightness of the consultant's extension analysis and justification.

- v) The fifth round time extension was approved by higher officials of the university on 11/01/2010 EC. 29 Calendar days are entitled to the contractor during this round time extension analysis and justification periods. Discrepancy between guard rail work order and drawings is cause of the duration variations.
- vi) The six round time extension was approved by higher officials of the university on 03/04/2010 EC. 36 Calendar days are entitled to the contractor during this round time extension analysis and justification periods. Delay works like waste water drainage line, waste water treatment, electric works like the lines, transformer, generator and solar panel installation were encountered. This has happened due to the fact that the working area was covered by maize farms.

Therefore, this delay is a justifiable variance.

6.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

Along with the signed agreement for the works contract, scope of the project is referred from the BoQ list. Major scopes of the project are;

- ✓ Seven dormitory blocks
- ✓ Three class room blocks
- ✓ Cafeteria with kitchen
- ✓ Seven Laundry Blocks
- ✓ Two Septic tanks each with 90m³ capacity and
- ✓ Site work

In addition to the above project scopes, the contractor was ordered to construct temporary student's dormitory. It implies the scope was extended to construction of temporary student dormitory blocks.

The other change which happened to the scope was related to septic tanks. The signed agreement was to construct two 90m³ septic tanks. Capacity of the tanks is now changed to 120m³ for each tanks.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 CONCLUSIONS

Before the conclusion, it to be reminded that the following clarifications and missing documents were requested.

- a. **Clarification;** Reasons for & root cause of need for carrying out 1st round change order number 5233 is not clear from the document.
- b. **Clarification;** Reasons for & root cause of need for carrying out 3rd round change order number 6846 & 5477 is not clear from the document.
- c. **Clarification;** Reasons for & root cause of need for carrying out 4th round change order number 6602 & not numbered change order is not clear from the document.
- d. **Clarification;** Reasons for & root cause of need for carrying out 5th round change order number 5325 is not clear from the document. Moreover, the reason of keeping the addition and omission unit prices the same while the materials are significantly differing (Omitted aluminum and added metal) is not clear.
- e. **Clarification;** Reasons for & root cause of need for carrying out 6th & 7th round change order number 6131 & 6108,6680,6727 are not clear from the document.
- f. **Clarification;** It is not clear why two different change orders with the same numbering (both for the 4th & 5th Round) are established? Does that mean total number of change order encountered so far is still not known?
- g. **Missing Document;** In reference to the consultant's letter with no. 610/445/21/2009 dated on 09/02/2009, a total sum 52 days' time extension was approved up to the date of lettering. Out of which 50 days were already approved earlier and 2 days were approved on currently analyzed attachment with the referred letter. However, any document containing details of reasoning, analysis & justification of the already approved 50 days could not be obtained.

- h. **Clarification;** According to the consultant's letter with reference number 610/445/63/2009 dated on 28/07/2009 summary of the time extension analysis states that previously approved time extension is 82.4 days. It is not clear how the time extension dated before the reference date becomes 82.5 days.
- i. **Clarification;** Yet only the depth factor was included in the rainfall delay analysis. What about others?

Conclusions;

- ❖ It is quite clear that project information should be well documented and be kept with concerned bodies in an organized manner. The information should be accessible to all authorized individuals. On the contrary, the AP has found that either the information is not well organized & documented or readiness is not there to make them accessible. This will automatically lead to miss management. Typical examples from the findings are;
 - Two different variation orders with the same naming as change order no. 4
 - Two different variation orders with the same naming as change order no. 5
 - Out of the publicized time extension documents, all are with no any particular identification number except the fourth one.
- ❖ Although PPA 2011 procurement manual supports that fair competition should be encouraged, the competition encouragement cannot be achieved with one bidder. However, this may not be cause for whole bid rejection and going for re-bidding. But, instead of re-bidding and to proceed with the evaluation, at least the price offered by the bidder must be comparable to or less than market price (Engineer's Estimation) of the object procurement. Any written document that shows the comparison before proceeding with one bidder was not found. Therefore, it can be concluded that the procurement process did not encouraged fair competition.
- ❖ Due to some criterion not seen on the bid evaluation report, it would be possible to conclude that the procurement evaluation process was not in compliance with SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC requirements.
- ❖ As it is shown above, essence of origination of the change orders are not shown on the collected variation documents. Request was made to find root causes of the change orders.

No one has answered to the request. Hence, except change order number two, all others remain unjustified.

- ❖ While justifying rainfall causing delays, factors such as the rain fall depth, rainfall intensity duration and time, justification for unexpectedness of the rainfall or deviation from norms known and nature of the works planned during the rain & actual works interrupted with uninterrupted ones (like in outdoor & indoor activities) should have been considered. Yet only the first factor was included in the consultant's analysis. Therefore, the AP considers rainfall causing time variation as properly unjustified variation.
- ❖ AP records that like trainings given for disclosure mainstreaming at PE level, another special training must be given on contract administration and information documentation and management.

7.2 ISSUES RECOMDED FOR FURTHER REVIEW

The AP would like to recommend that the following highlighted issues are advisable for further reviews.

- ✓ All missing documents must be availed by concerned bodies. Points for which clarifications are requested should be replied.
- ✓ Procurement method of the consultant both for design adaptation and construction supervision works should be studied further.
- ✓ The bid evaluation criterion used on procurement of the contractor for the main works needs to focused on and studied.
- ✓ The contract duration has exceeded by 64%. This is a significant variation. Right after accessing all time extension claims, analysis and justification documents with all attached relevant evidences are advised for further examination.
- ✓ There are a number of change orders. The reasons can easily be known. However, the root cause for the reasons to happen needs additional assessment.

ANNEX 1- DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION (44 ITEMS)

PART 1 - PROCUREMENT INFORMATION (30 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	17 July, 2018 GC	17 July, 2018 GC	17 July, 2018 GC
	Contract title	Construction of Debre markos University dormitory, classroom & cafeteria with kitchen buildings.	Design agreement between Debre Markos University & CDSCo for Site Adaptation works of Site adaptation Lot I (Cafeteria, Dormitory & Class Rooms at Bure Campus)	Agreement Between Debre Markos University and CDSCo for Supervision & Contract Administration of Lot I (Cafeteria, Dormitory & Class Rooms) at Bure Campus
	Location	Amhara Regional State, West Gojam Zone at Bure town	Amhara Regional State, West Gojam Zone at Bure town	Amhara Regional State, West Gojam Zone at Bure town
	Procuring entity	Debre Markos University	Debre Markos University	Debre Markos University
	Source for further information	Name; Ato Leta Hora Position: Debre markos	Name; Ato Leta Hora Position: Debre markos	Name; Ato Leta Hora Position: Debre markos

		University project manager Tel: -058-178-00-04 Mob: +251916587621 Email:	University project manager Tel: -058-178-00-04 Mob: +251916587621 Email: Ato Getu & Ato Girma CDSCo Tel: +251114420959 Mob: +251911618338	University project manager Tel: -058-178-00-04 Mob: +251916587621 Email: Ato Getu & Ato Girma CDSCo Tel: +251114420959 Mob: +251911618338
	Date of procurement notice	05/03/2015 GC	NA	NA
	Floating period of the procurement notice	30 days	NA	NA
	Media used for procurement notice	News Paper	NA	NA
	Method of procurement	Open Bid	NA	NA
	Type of Procurement	Works	Consultancy service	Consultancy service
	Procurement procedure	NCB	RFP	RFP
	Evaluation criteria	Least Bidder for technically responsive bidders	NA	NA
	Type of contract & project delivery method	Admeasurement Contract	Lump sum Contract	Time based contract (monthly)
	Type & Amount of bid security	Bank Guarantee ETB 500,000.00	NA	NA

	Content of any complaint lodged	NA	NA	NA
	Engineer's estimate	NA	NA	NA
	Date of bid opening	'Miazia' 01, 2007 EC	NA	NA
	Number of bidders: Participated, rejected and declined to submit	One	NA	NA
	Awarded firm/contracting firm	Yotek Construction Plc	CDSCo	CDSCo
	Date of contract award	NA	NA	NA
	Award price/original contract price	362,654,295.15 ETB	1,059,937.75 ETB	71,000 ETB per month
	Contract security type and amount	Conditional Insurance Bond & 10% of the contract price	NA	NA
	Date of contract signing	1 st June, 2015 GC	30/03/15 EC	25 th June, 2015
	Contract scope	• Seven blocks of dormitory, • Three Blocks of class rooms, • One block of cafeteria and Kitchen, • Seven Blocks of Laundry, • Two septic tanks each with 90 cubic meter capacity	• Final Design (Sub Structure & Superstructure) • Draft Tender Document • Final Document	• Construction supervision • Contract Administration

	Description of contract & Contract components	Construction of Debre Markos University dormitory, classroom & cafeteria with kitchen buildings.	Design agreement between Debre Markos University & CDSCo for Site Adaptation works of Site adaptation Lot I (Cafeteria, Dormitory & Class Rooms)	Agreement Between Debre Markos University and CDSCo for Supervision & Contract Administration of Lot I (Cafeteria, Dormitory & Class Rooms)
	Contract administration entity	Debre Markos University Project Management & CDSCo	Debre Markos University Project Management & CDSCo	Debre Markos University Project Management & CDSCo
	Contract duration	600 calendar Days	75 calendar Days	600 calendar Days
	Contract start date	27/10/2007 EC	06/04/15 GC	27/10/2007 EC
	Intended completion date	15/06/2009 EC	20/06/15 GC	15/06/2009 EC

PART 2 - CONTRACT IMPLEMENTATION (14 ITEMS)

CONTRACT IMPLEMENTATION (14 ITEMS)	Contract status (ongoing (% progress), terminated, completed)	Ongoing, 102%	Completed, 100%	Ongoing, 102%
	completion date (Revised, projected, Actual)	09/02/2010 EC (from monthly report)	NA	09/02/2010 EC (from monthly report)
	Changes to contract duration with Reason	386 Calendar days due to different reasons stated in the report	NA	386 Calendar days due to different reasons stated in the report
	Amount of Liquidated Damage if applied (Penalty for delay)	NA	NA	NA
	Contract price (Revised, projected, Actual)	374,411,665.04 ETB (revised)	1,059,937.75 ETB (Actual)	71,000 ETB per month (Actual)
	Changes to contract price with reason	11,757,369.89 ETB	NA	10.4months x 71,000 ETB/month= 738,400 ETB
	Scope at completion	• Seven blocks of dormitory, • Three Blocks of class rooms, • One block of cafeteria and Kitchen,	• Final Design (Sub Structure & Superstructure) • Draft Tender Document • Final Document	• Construction supervision • Contract Administration

		• Seven Blocks of Laundry • Two septic tanks each with 120 cubic meter capacity		
	Changes to contract scope with reason	The 90m3 septic tank is changed to 120m3 and temporary student dormitory was added.	NA	NA
	Total payment effected	358,805,287.54 ETB	NA	NA
	warranty type and description	NA	NA	NA
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	NA	NA	NA
	Quality of work (very good, good, inferior, impossible to comment)	Good	Good	Good
	Disputed issues & Award details	NA	NA	NA

PART 3- DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)		
PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of disclosure	18 June, 2018 GC
	Project owner	Debre Markos University
	Project name	Debremarkos University dormitory, classroom & cafeteria with kitchen buildings at Bure Campus
	Sector, subsector	Building
	Source for further information	Name; Ato Leta Hora Position: Debremarkos University project manager Tel: -058-178-00-04 Mob: +251916587621 Email:
	Project Location	Amhara Regional State, West Gojam Zone at Bure town
	Purpose	Expansion of Debre Markos University
	Project description	Construction of Debremarkos University dormitory, classroom & cafeteria with kitchen buildings.
	Original Project Scope	Seven blocks of dormitory, Three Blocks of class rooms, One block of cafeteria and Kitchen, Seven Blocks of Laundry, Two septic tanks each with 120 cubic meter capacity
	Project Components	Seven blocks of dormitory, Three Blocks of class rooms, One block of cafeteria and Kitchen,

		Seven Blocks of Laundry, Two septic tanks each with 120 cubic meter capacity And temporary student dormitory
	Environmental impact	NA
	land & settlement impact	NA
	Estimated budget of the project with breakdown of components	NA
	Funding sources	Government Budget
	Project budget approval date	NA
	Project start date (planned, actual)	27/10/2007 EC
	Planned/ Original duration for completing the whole project	600 Calendar days
	Planned/Original cost of the project	Seven blocks of dormitory, Three Blocks of class rooms, One block of cafeteria and Kitchen, Seven Blocks of Laundry, Two septic tanks each with 90 cubic
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	NA
	changes of project cost with reason	11,757,369.89 ETB and it is due to different change orders
	Project completion date (Revised, projected, actual)	374,411,665.04 ETB (revised on 'Yekatit' 2010 EC)
	Actual duration for completing the whole project	986 Calendar days (revised on 'Yekatit' 2010 EC)
	changes of project duration with reason	386 Calendar days due to different time extensions
	Project Scope at completion	Seven blocks of dormitory, Three Blocks of class rooms, One block of cafeteria and Kitchen,

		Seven Blocks of Laundry, Two septic tanks each with 120 cubic meter capacity Temporary student dormitory
	changes of project scope with reason	30m3 capacity to each 90 m3 septic tank & temporary student dormitory was added following the employer's interest
	Reference to documents for disclosure upon request (reactive disclosure)	Invitation, Bid, contract, variation, time extension and monthly reports.

ANNEX 2 - TABLES SHOWING DATA FROM BID EVALUATION REPORT

Table 1- List of Bid Attendants

No.	Name	Company	Remark
1	Tesfahun Abebe	PE	
2	Asregid Melese	PE	
3	Girma Lemlem	Consultant	
4	Bekele Wakjira	Consultant	
5	Tesfaye Abdeta	Yotek	

Table 2 -Legal Qualification of the Bidder

Item No.	Bidders Name	Bids Signed & Sealed	Responsiveness
1	Yotek Construction Plc	Yes	Responsive

Table 3 -Bid Security by type & Responsiveness

Item No.	Bidders Name	Bid Security Type	Required Amount	Submitted	Responsiveness Type	Addressed to	Responsiveness for the address
1	Yotek Construction Plc	Bank Guarantee	500,000.00	500,000.00	R	Employer & for the project	R

Table 4 - Financial Standing of the Bidder

Year	Submitted	Requirement	Required Evidence	Responsiveness
	Annual Turnover (ETB)	Average	Average (ETB)	
			Auditor's Report	Declaration from

					Revenue Agency	
2006	763,227,596.00	465,087,502.60	170,000,000.00	Yes	-	R
2005	560,686,748.00				-	
2004	435,526,353.00				-	
2003	288,048,041.00				-	
2002	277,948,775.00				-	

Table 5 - Technical Qualification, Competence and Experience of the Bidder

Item No.	Project Name	Minimum Required Value	Submitted project value	Employer's supporting document for Good	Responsiveness
1	Arbaminch University main Campus Expansion	170,000,000.00	171,559,473.05	Yes	R

ANNEX 3 - LIST OF AVAILABLE & MISSING DOCUMENTS

No.	Project Stage	Document Type	Document Availability	Remarks
1	Project Identification	Project feasibility study	Not available	
2	Project Budget	Project budget procurement & request plan	Not available	
		Project budget estimation document	Not available	
		Engineers estimation	Not available	
3	Procurement Process Documents			
3.1	Design and Site Adaptation consultant	Notice of Request for proposal	Not available	
		Tender Evaluation Report – Technical	Not available	
		Tender Evaluation Report - Financial/combined	Not available	
3.2	Supervision Consultant	Notice of Request for proposal	Not available	
		Tender Evaluation Report – Technical	Not available	
		Tender Evaluation Report - Financial/combined	Not available	
3.3	Contract Works	Notice to invitation	Available	
		List of contractor's collected the bid	Not available	
		Bid technical evaluation report	Available	
		Bid Financial Evaluation Report	Available	
		Letter of award	Not available	
4	CONTRACT INFORMATION DOCUMENTS			
4.1	Design and Site Adaptation consultant	Contract Agreement	Available	
		Documents on changes to cost	Not available	
		Documents on changes to time	Not available	

		Documents on changes to scope	Not available	
		Design report that contains engineers estimation	Not available	
		Payments actually effected for the service rendered	Not available	
4.2	Supervision consultant	Contract Agreement	Available	
		Documents on changes to cost	Available	
		Documents on changes to time	Available	
		Documents on changes to scope	Not available	
		Payments actually effected for the service rendered	Not available	
4.3	Main Works (Contractor)	Contract Agreement		
		Changes to contract cost	Partially available	Missing documents & information on this are elaborated in the report
		Documents on changes to time		Missing documents & information on this are elaborated in the report
		Documents on changes to scope	Available	
		Latest monthly report	Available	
		Latest revised work program	Not Available	
		Last Payment certificate	Not Available	
		Time extension approval of the PE	Available	
		Change order approval of the PE	Not Available	



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information of Debre Markos University

STAFF LOUNGE

Reported by: Anteneh Worku

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LIST OF ACRONYMS

AC	After Checking
AP	Assurance Professional
BC	Building Contractor
B.C.	Before Checking
BoQ	Bill of Quantities
BDS	Bid Data Sheet
CoST	Construction Sector Transparency Initiative
CDSCo	Construction Design Share Company
DA	Design Adaptation
EC	Ethiopian Calendar
EIA	Environmental Impact Assessment
ETB	Ethiopian Birr
FS	Feasibility Study
GC	Gregorian Calendar
GCC	General Conditions of Contract
IDS	Infrastructure Data Standard
KM	Kilo Meter
NCB	National Competitive Bidding
ITB	Instruction to Bidders

NCB	National Competitive Bidding
NMSG-EC	National Multi Stakeholder Groups – Executive Committee
Plc	Private Limited Company
PE	Procuring Entity
PPA	Public Procurement and Property Administration Agency
RFP	Request For Proposal
R	Responsive
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
VAT	Value Added Tax

1. Executive Summary

CoST – Ethiopia and Aims

These days, construction sector is expanding and growing hurriedly. This phenomenon could easily be observed on massive construction of infrastructures. However, miss management and corruption shall have an adverse effect during planning and implementation phases of the vastly growing constructions sectors. Such phenomenon shall hold back the expected socio economic development and may end up with nationwide disasters.

The Construction Sector Transparency Initiative CoST, is an initiative managed by a national multi-stakeholder group executive committee (NMSG-EC) that represents the interests of government, the private sector, and civil society. The initiative has aimed to improve transparency and accountability of construction projects.

Objectives of Project Level Assurance

Over the long term, increase in transparency and accountability is expected to improve value for money of investments in infrastructure. Hence main objectives of the project level assurance are collecting project information, verifying its accuracy & completeness, analyzing information obtained and producing understandable reports, emphasizing main findings and causes of concerns. An independent Assurance Professional (AP) is therefore appointed by the National Multi Stakeholder Group Executive

Committee (NMSG - EC) who will be responsible for assessing the adequacy and reliability of the disclosed project information, highlighting any causes for concern for the specifically selected projects.

The NMSG-EC uses different criteria for project selection. Sector and status of the project are among criteria used for selection. The project covered under this report was selected from building construction sectors related to university facilities. The on-going status of projects with degree of completion close to 80% or more are considered from status point of view.

The assurance professional has taken responsibility of executing the above mentioned tasks. Description of the project and contracts included in the report with date of disclosure are cited here under;

Date of Disclosure & Assurance; **July 17, 2018 GC.**

Name of the assurance professional; **Anteneh Worku**

Name of The Project; **Debere Markos University Staff Lounge Building at Debre Markos, Project No. D8-028/2005**

Location of the Project; **The project is located in Amhara Regional State, West Gojam, in Debre Markos town at a distance of 300km from Addis Ababa.**

Starting from planning stage of the project, three contracts have been analyzed, Contract agreement for Design adaptation, construction supervision and construction works have been considered in this report.

Debre Markos University is a procuring entity who has went for procurement of all the three contracts. Construction supervision and contract administration contracts are signed with CDSCo. Contract for the project construction was signed with a local contractor named as Tamirat Temesgen Building Contractor Construction Plc.

- Design works contract;

Design work was agreed between the PE and Construction Design Share Company (CDSCo). It was entered in to a contract agreement on November 28th, 2014 GC. Total period of 60 calendar days for preliminary design and 45 calendar days for final design were given to the consultant. The PE has agreed to pay 956,663.81 ETB including 15% VAT.

- Construction Supervision contract;

Construction Supervision and contract administration works was agreed and signed by the consultant on 15th Nehasse, 2007 EC. It was made between the PE and the same consultant, CDSCo. The PE has agreed to pay the consultant 55,000 ETB including 15% VAT on a monthly base. Information obtained from PE shows that the university has made selective bid procedure based on administrative council decision. However, nothing was gained on details of the selection procedures.

- Civil Works (Construction) Contract;

Following desire of Debre Markos University to have a Staff Lounge building which would be constructed at Debre Markos University premises, different contractors have shown their interests. For this bid local contractors of category GC 5 or BC 4 and above were invited for the first time to submit qualification information and competitive bids for construction of the subject project.

Thirteen bidders had collected the bid documents from CDSCo head office. Out of the thirteen, only five bidders have submitted their qualification information and bid offers to the CDSCo head office. Documents of the five bidders were checked for their responsiveness to the requirements of eligibility information. Out of the five, one contractor was not technically responsive. Therefore only four of them were qualified for the financial evaluation process. A contractor who has offered least price was selected and ultimately Tamirat Temesgen Building Contractor was found to be the least bidder and hence awarded for.

Construction agreement was made between the PE and Tamirat Temesgen Building Contractor. Date of signing the contract was 18/10/2007 E.C. Contract value of the main agreement is 50,094,290.95 ETB

Poor documentation practice is core problem the assurance process. It has come in to picture as one of the main causes of concerns. Due to this reason, the only nothing known about procurement of the consultant is that it was made on selective bid procedures following the administrative council decision. While procuring the contractor for main works, any information in relation to professional staff, equipment necessary for the work and other eligibility requirements such as FPPA registration was not found in the technical evaluation criteria.

However, on some of time extension analysis and justification documents, technical approach by which additional time was given following some variations is just by proportioning financial value of the work with period and cost of already existing and schedule work items on the main work program. This approach does not enable us to see the effect of the variation work on critical path tasks. Additional time given for rainy seasons was also justified by only taking depth factor of the rain while it was supposed to consider other factor such as duration, time, return period and nature of the work planned to be executed during that time. It could generally be said that major contract administration documents of this project was not found and as a result of which it has become difficult to make sure that the contract administration works were carefully managed and handled.

2. INTRODUCTION

➤ Overview on overall content of the Report

The Construction Sector Transparency Initiative (CoST) seeks to improve transparency and accountability in publicly financed construction projects. CoST-Ethiopia has been trying to enable selected procuring entities to carry out the assurance process by themselves. Though some of the PE were successful on mainstreaming of assurance program, there are still a lot of PE who are still unable to successfully publicize project information.

The AP has made site and PE main offices visits in two rounds. Project information were collected during those two trips. PE representatives were physically communicated and fruitful discussions were conceded. Though, the consultant representatives were not on site, they were communicated through telephones and email communications. The same holds true for contractors.

➤ **Objectives of the Assurance Process**

Main objectives of the assurance process are, as described in the executive summary part of this report, the Procuring Entities (PEs) are required to release project information on the selected projects. In order to ensure that the information released by the Procuring Entities is both accurate and available in a form that can easily be understood by the stakeholders, it is required to be verified and analyzed by experts of Assurance Professionals (AP) who are appointed by the National Multi – Stakeholder Group Executive Committee (NMSG-EC). The Assurance Professionals will carry out these activities and produce reports that will assist the NMSG-EC and other stakeholders to evaluate the level of transparency and governance of the relevant projects. The Assurance Professionals task has different phases; the AP collects information and verifies that the Project Information (PI) is both complete and accurate. Following this phase, the AP analyzes the disclosed data and interprets in to a report that will be more easily understood by the general public.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete and accurate. Analysis shall be performed based on available information and causes of concern will be addressed to the general public in an intelligible manner.

➤ **Activities of the Assurance Process**

already resigned from the PE. Hence The AP has communicated the PE's project manager Ato Leta Hora for assurance of the subject project. The PE's procurement department head, Ato Getachew, has also been communicated. The consultant's representative and the contractors project manager was communicated both on telephone and emails. From the consultant's head office, Ato Getu and Ato Girma was communicated to collect information related to procurement of the contractor.

Succeeding to communications with concerned individuals from involving entities on project realization process, relevant documents such as bid invitation announcement document, technical evaluation reports, financial evaluation reports, latest monthly reports, pictures which shows current physical status of the project, contract document for design adaptation, contract document for construction supervision and contract document for physical construction were collected.

Furthermore, in comparison with CoST-Ethiopia disclosure format annexed with this report, documents which are mainly relevant for finding information regarding

- i) individual changes to the contract which affect the price and reasons for those changes
- ii) individual changes to the contract which affect the work program and reasons for those changes

are found to be incomplete.

Analysis to make informed judgments

Once data has been collected and verified, the AP has interpreted the disclosed data to make it more easily understood by the general public. The public

➤ Challenges of the assurance process

Two critical challenges, which has potentially delayed and affected the assurance process, are national strike and information accessibility problems. The country has faced a national strike in relation to political issues. As a consequence of the strike, it was really impossible to get transport access neither to the project site nor to the PE's university location. Transport accessibility and social security was gained after stability of the nation's political situation. Considerable delay was resulted from this national turmoil.

The other critical problem is, as usual, accessibility and unavailability of relevant IDS documents. Some of IDS documents were easily obtained just during the first round trip to the project. This relevant documents were obtained due to appreciable cooperation of the PE's project manager, Ato Leta Hora.

List of relevant documents obtained effortlessly;

- Copy of change order documents related to time program of the project. About three rounds of time extension documents were collected during the same site visit. They encompass different time extensions entitled to the contractor. These documents are part of top priorities for the assurance process.
- Latest monthly report made by the consultant. The Latest monthly report received was for the month of 'Yekat

usual trained and the way it was written on the scanned document, that it was announced on newspaper.

- Technical evaluation report; It is entitled as **“TECHICAL EVALUATION FOR DEBRE MARKOS UNIVERSITY STAFF LOUNGE BUILDING (LOT2) AT DEBRE MARKOS”**.
- Financial evaluation report; It is entitled as **“FINANCIAL EVALUATION OF STAFF LOUNGE (LOT 2) FOR DEBRE MARKOS UNIVERSITY AT DEBRE MARKOS”**.

List of relevant document obtained with extra effort; (This is document obtained from the consulting firm head office with appreciable cooperation of Ato Girma)

- A complete copy of the main contract agreement document. It is an agreement signed between the PE and the contractor for the physical construction works. This document is a highly vital document for the assurance process by serving as a takeoff ground for analyzing individual changes to the main contract. It is entitled as; **“DEBERE MARKOS UNIVERSITY STAFF LOUNGE BUILDING AT DEBRE MARKOS, PROJECT NO. D8-028/2005”**
- Agreement for design works of the building.
- Time extension analysis and justification documents for the entitled contract duration elong

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

The project is owned by Debre Markos University. It is one of universities located in Amhara Regional State. Construction of the project is contractually named as **“DEBERE MARKOS UNIVERSITY STAFF LOUNGE BUILDING AT DEBRE MARKOS, PROJECT NO. D8-028/2005”**. The project is classified not road or water sectors but in Building Construction sector. Taking the capital Addis Ababa as a starting reference, the project is located at a distance of 300kms in the north west direction. It is specifically located in Amhara Regional State, West Gojam Zone at Debre Markos town. In fact, the procuring entity head office is located in Debre Markos town in the university’s premises. Consultant for construction supervision is **“Construction Design Share Company”**. According to information from monthly report, the consultants official name is changed to **“Ethiopian Construction Design & Supervision Works Corporation Building and Urban Design & Supervision Works Sector”**.

The project is funded by government budget. The project is intended to construct a standard staff lounge and meeting hall for its staffs. The meeting

report. However, it can generally be said that it is very vital for the universities staffs to get lounge services in a quality building. It has also a meeting hall in which conferences & gatherings for different reasons can be carried.

3.4 Undesired Impacts of the Project

The project does not have any EIA studies handed over on data collection. The project construction site is inside the universities locations. Thus, the AP did not observe any general undesired impact of the project.

3.5 Source Funding and Project Cost

Based on information from the PE's procurement head and the PE's project manager, source of funding for the project a government budget allocated to Debre Markos University. On the bid invitation paper, it is cited saying that "The Debre Markos University have funds with in the Employer's budget to be used for the procurement of Debre Markos university Expansion". This shall clearly confirm that it is funded by the university's budget financed by the Ethiopian Government.

passed and the project is not still handed over to the PE in a form of provisional acceptance at the month of ‘Yekatit’, 2010 EC.

4. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR ENGINEERING DESIGN & SITE ADAPTATION SERVICE

4.1 DISCLOSURE OF PROCURMENT INFORMATION

4.1.1 OVERVIEW OF THE PROCURMENT PROCESS

Any document that shows the way how the design and site adaptation consultant was procured by the PE could not be obtained. The only formal information gained so far shows that since the consultant is a governmental organization, the university has made a selective bid procedure based on the PE’s administrative council decision. Both the PE project manager and procurement head of the PE (head at the university level) were communicated regarding documents and stories on how the procurement was made. Yet, none of them has neither the procurement document nor knew the story behind.

Additional documents obtained in relation to the project design consultant procurement are the bid invitation and evaluation report. The evaluation report states that the bid document was prepared by CDSCO. Both technical evaluation and financial evaluation process was done by the same company. Moreover, the bid announcement document shows that the interested bidders could collect the bid documents and submit their qualification proposals with offers to the same firm. It was also opened at the same place. Therefore, it is confirmed that the design was also made by the same institution.

4.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

4.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness of the disclosed procurement information is compared against CoST-Ethiopia disclosure format. CoST disclosure format is annexed with this report. Therefore, completeness of the information is highly dependent on the disclosure format crucial information revealed by the PE. So long as any document showing the procurement process is assessed, the following missing information will come in to picture.

- Publication of request for proposal to the short listed bidders
- Bid collection, opening, evaluation and conclusion process or
- Any letter of order or minutes of meeting which could be substantial ground for the procuring entity to select the current consultant

While completeness of the consultant's procurement process is measured, information obtained from the PE can reasonably be taken as incomplete due to fundamentally missing information & documents.

4.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis shall be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be considered as accurate. Right after re-communicating the PE, new information gained additionally are included in this report.

4.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

4.1.3.1 COMPLIANCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is no any advertisement document, to invite short list bidders was found. Or else, any minutes of meeting by which decision was made to select the current consultant was found. On the other hand, according to Section I, INSTRUCTION TO BIDDERS on clause 1.1, it is stated that

"The Public Body is the Contracting Authority for this procurement process and it is bound by the rules governing public procurement in the Federal Democratic Republic of Ethiopia. It has the **powers and duties** to conclude a Contract for the provision of Consultancy Services."

and according to clause 1.2 of the same reference it is stated that,

"By the issue of this Request for Proposals the Public Body invites shortlisted Consultancy firms / organizations (hereinafter called the Consultants) to submit their Bid Proposals containing the Technical and Financial Proposals separately with a view to entering into Contract with the Public Body for the provision of Consultancy Services which general description is provided in the BDS. The Bid Proposal will be the basis for contract negotiations and ultimately for

a signed Contract with the selected Consultant. The Consultancy Services that are subject of this procurement process are more particularly specified in Section 6, Terms of Reference upon the basis of the information supplied in and in accordance with this Request for Proposals.”

Based on the referred clauses, it can be judged that the AP cannot be certain to see the procurement process of advertisement is in compliance with regulations of PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011.

4.1.3.2 EFFICIENCY OF THE PROCURMENT PROCESS

The time up on which the PE has invited consultants by sending request for proposal is not known. Dates of submission bid proposals, bid opening, bid evaluation, award of the contract and above all a contract agreement for the design services are all missing. Time given to the consultant to complete the design work is not known. Hence, no any conclusion could be induced on time efficiency matters.

4.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011 are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are fair.

4.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

For the fact that no document that shows tender invitation, submission of proposals, tender opening, tender evaluation, award and contract agreement, the AP is unable to see any information that shows the tender process through which the consultant was selected is transparent.

4.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The PE has already obtained the consultancy services for which it was desirous. The project has already been realized and is on the approach of project completion. As a result, the overall objectivity of the project was met. But, in a similar fashion with the item on 4.1.3.4, no one can say that the tender process has met its objectivity in the absence of the process itself.

Similarly, in the absence of any information on the whole tender process, no one can still say that the award criteria have successfully been met its objectivity and there by enabled the employer to get a consulting firm followed by a reasonable competition.

4.1.3.6 COMPTITIVENESS OF THE AWARD PRICE

As mentioned on item 4.1.3.4 above, there are a number of fundamental documents of this project that are not stilled accessible to the AP. This shall result in induction of no capability to know and check for competitiveness of the price in the nonexistence of the price amount it self.

4.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the time of project information collection and reporting, the project is financially at a progress of 92.98%. As per the consultant's monthly report, completion would be at 100 %. The PE has confirmed that there was no any cost, time and scope changes during design performance of the consultant.

4.2 DISCLOSURE OF CONTRACT INFORMATION FOR ENGINEERING DESIGN AND SITE ADAPTATION WORKS

4.2.1 OVERVIEW OF THE CONTRACT

The agreement between, the PE Debre Markos University and the consulting firm Construction Design Share Company, was entered in to a contract on November 28th, 2014 GC. According to Special Conditions of Contract (SCC) attached with the agreement, clause GCC 27.2 the time period with in which the service has commenced was 7 days after signing the agreement. Clause GCC 28.1 also refers that intended completion date for the preliminary design was 60 Calendar days and for final design services was 45 Calendar days.

4.2.2 ACCURECY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, information was requested from the PE. But nothing was gained in relation to the contract information of the consultant's design service. The only current source of information related with both procurement and contract information disclosed on this report is from the design adaptation contract agreement. Thus source of information used for contract information disclosure is the mutual agreement.

Though details on how the consultant has discharged its contractual obligations was not found, the PE has confirmed that there was no change on both cost and time of the design agreement. With the understanding that no any design consultancy related document was acquired from the PE, variance of information could not be substantiated. As a result, the PE's explanation confirms that no variances had happened.

Alternatively, the actual way by which the consultant has discharged its contractual responsibility is not known. The only thing known from the PE, is presence of design related change orders and time lost due to clarifications of ambiguities between different types of drawings. To end up to this point, the AP could not be certain on the fact that the way the consultant has actually served the PE was properly documented and monitored by the PE.

4.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

There is no any discovered document that shows the design service contract price and changes as compared to the original contract price. The PE has stated that it was done as per the contract. Due to this reason neither justification for price changes nor explanation of unjustified price changes to be included in the report.

4.2.3.2 ISSUES RELATED TO CONTRACT DURATION

There is no any discovered document that shows the design service contract duration and changes as compared to the original contract duration. The PE has stated that it was done as per the contract. Due to this reason neither justification for duration changes nor explanation of unjustified duration changes to be included as part of this report.

4.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

There is no any discovered document that shows the design service contract scope and changes as compared to the original contract scope. The PE has stated that it was done as per the contract Due to this reason neither justification for scope changes nor explanation of unjustified scope changes to be included as part of this report.

5. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION & CONTRACT ADMINISTRATION SERVICE

5.1 DISCLOSURE OF PROCURMENT INFORMATION

5.1.1 OVERVIEW OF THE PROCURMENT PROCESS

The service contract for design & site adaptation works was undertaken by the former CDSCo currently named as Ethiopian Construction Design & Supervision Works Corporation Building and Urban Design & Supervision Works Sector. Except the selective bid procedure based on the administration council decision, any document that shows the way how the supervision consultant was procured by the PE could not be obtained. Both the PE project manager and procurement head of the PE (head at the university level) was communicated regarding documents and stories on how the procurement was made. Yet, none of them has neither the procurement document nor knew the story behind.

The only document obtained in relation to the design and site adaptation service is a contract agreement made between the two parties. The contract was signed by the consultant on 15/12/07 EC. The agreement indicates that the General Conditions of contract of Public Procurement Agency (PPA) July, 2011 shall be deemed to become as part of the agreement. Hence, PPA Version 1 July, 2011 GC. shall serve as a ground reference for analysis of information. Scope services included in the agreement are construction supervision and contract administration works.

5.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

5.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness of the disclosed procurement information is compared against CoST-Ethiopia disclosure format. CoST disclosure format is annexed with this report. Therefore, completeness of the information is highly dependent on the disclosure format crucial information revealed by the PE. So long as any document showing the procurement process is assessed, the following missing information will come in to picture.

- Publication of request for proposal to the short listed bidders
- Bid collection, opening, evaluation and conclusion process or
- Any letter of order or minutes of meeting which could be substantial ground for the procuring entity to select the current consultant

While completeness of the consultant's procurement process is measured, information obtained from the PE can reasonably be taken as incomplete due to fundamentally missing information & documents.

5.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis will be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be considered as accurate.

5.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

5.1.3.1 COMPLIANCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is no any advertisement document, to invite short list bidders was found. Or else, any minutes of meeting by which decision was made to select the current consultant was found. On the other hand, according to Section I, INSTRUCTION TO BIDDERS on clause 1.1, it is stated that

“The Public Body is the Contracting Authority for this procurement process and it is bound by the rules governing public procurement in the Federal Democratic Republic of Ethiopia. It has the **powers and duties** to conclude a Contract for the provision of Consultancy Services.”

and according to clause 1.2 of the same reference it is stated that,

“By the issue of this Request for Proposals the Public Body invites shortlisted Consultancy firms / organizations (hereinafter called the Consultants) to submit their Bid Proposals containing the Technical and Financial Proposals separately with a view to entering into Contract with the Public Body for the provision of

Consultancy Services which general description is provided in the BDS. The Bid Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Consultant. The Consultancy Services that are subject of this procurement process are more particularly specified in Section 6, Terms of Reference upon the basis of the information supplied in and in accordance with this Request for Proposals.”

Based on the referred clauses, it can be judged that the AP could not get enough information to conclude that the procurement process of advertisement is in compliance with regulations of PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011.

5.1.3.2 EFFICIENCY OF THE PROCURMENT PROCESS

The time up on which the PE has invited consultants by sending request for proposal is not known. Dates of submission bid proposals, bid opening, bid evaluation and award of the contract are all missing. Hence, no any conclusion could be induced on time efficiency matters.

But then again, based on information on the contract agreement between the PE and consulting firm, 365 calendar days were given for providing consultancy services. The project is still under construction and the contract time has exceeded by 160%. Even though the consultant was assumed to serve for 365 calendar days, the consultancy service is still running for the extended period.

5.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and PPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services REQUEST FOR PROPOSAL (RFP) NATIONAL COMPETITIVE BIDDING (NCB) Version 1, July 2011 are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are certainly fair.

5.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

For the fact that no document that shows tender invitation, submission of proposals, tender opening, tender evaluation and award, the AP is unable to see any information that shows the tender process through which the consultant was selected is transparent.

5.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The PE is still getting the consultancy services for which it is desirous. The project has already been realized and is on the approach of completion. As a result, the overall objectivity of the project was met. But, in a similar fashion with the item on 4.1.3.4, no one can say that the tender process has met its objectivity in the absence of the process itself.

Similarly, in the absence of any information on the whole tender process, no one can still say that the award criteria have successfully been met its objectivity and there by enabled the employer to get a consulting firm followed by a reasonable competition.

5.1.3.6 COMPTITIVENESS OF THE AWARD PRICE

Rendering to information on the consultancy service contract agreement between the PE and the consultant, the award price with which the consultant shall attend up to scope of service stated on contract is ETB 55,000.00 (Fifty-Five Thousand Only) including 15% VAT on monthly basis.

The major services to be rendered by the consultant are;

- Review of contractor's work program
 - Checking setting outs
 - Supervision and quality control
 - Examining any approval
 - Evaluating contractor's claims, disputes and time extensions
 - Monitor progress of the work, prepare monthly and quarterly progress report
 - Conduct regular site meetings to resolve any area of conflict and disputes
- Sanitary & Mechanical Design

The period given for rendering those services is 365 calendar days. Therefore, taking scope the services and mainly the cost breakdown presented by the consultant in to consideration, it could generally be concluded that the award prices is competent.

5.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the time of project information collection and reporting, the project is financially at a progress of 92.98%. As per the consultant's monthly report, completion would be at 100 %. Actual facts on the ground shows that the project has disrupted far beyond its originally intended construction life time limitation. But, one or the other way, the project at this stage is currently far enough to be close to its completion.

5.2 DISCLOSURE OF CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION AND CONTRACT ADMINISTRATION

5.2.1 OVERVIEW OF THE CONTRACT

The contract agreement between, the PE Debre Markos University and the consulting firm Construction Design Share Company, was signed on 15/12/07 EC. According to Special Conditions of Contract (SCC) attached with the agreement, clause GCC 27.1 the time period at which the service has commenced was site handover date the work contract. Clause GCC 28.1 also refers that intended completion date for the construction supervision & contract administration works is 365 calendar days with possible extension of the service time in case the project is not completed in the specified time frame.

Scope services cited under the agreement are construction supervision and contract administration services for Staff Lounge & Its site works under Lot II.

The supervision and quality control works shall include;

- ✓ Conduction of necessary inspections during sampling, testing and analysis.
- ✓ Inspecting materials delivered to the site whether it complies with specifications or not
- ✓ Checking the work is conducted according to drawings and specifications
- ✓ Review, approval of and issuing of measurements and payment certificates
- ✓ Advising, the procuring entity on the need for special inspection or testing other those reformed in the contract document

Details scope of services are already mentioned under item 4.1.3.6. But, the General Classifications of the service are

- ✓ Construction supervision works and
- ✓ Contract administration works.

5.2.2 ACCURECY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, missing information and points requiring clarifications were requested from the PE and the consultant. But no any reply was gained in relation to the requested clarifications and missing documents. The only current source of information related with both supervision and contract administration disclosed on this report is from the consultancy contract agreement, monthly report prepared by the consultant and construction work variation documents received from the PE.

With the understanding that no any reply for the missing documents and clarifications was acquired from the PE & the consultant, the AP is going to determine that the only occurred variance on the consultant's service is the extended service being given to the PE during periods beyond the 365 calendar days.

To end up to this point, the AP concludes that the PE is already exposed to incurred service costs on periods exceeding the intended completion time.

5.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

Basically the agreement made for supervision and contract administration services is on monthly bases and it is ETB 55,000.00 (Fifty-Five Thousand Only) including 15% VAT. There is no any change on both monthly services and contract price paid per month. The problematic part is when it becomes to the originally intended period for which the service was planned to be given and the actual period up to which the service is being given.

Monthly report of 'Yekati' 2010 EC indicates that time extension approved is 413 calendar days. When the sum is turned in to months, the extended period is approximately 10.4 months. Therefore, it would be easy to understand that the PE has already lost **13.77months x 55,000 ETB/month = 757,350 ETB during those extended periods.**

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

By referring to the same contract given above, the original contract duration was 365 calendar days. Report for the month of ‘Yekatit’ 2010 EC. shows 413 days of delay and it has exceeded the contract limit by 160 percent.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

It has already been concluded that the contract duration was prolonged beyond the original limitation by 160%. The extended duration shall have no any impact on scope of the work. In contrary to the extension, scope of the work remains as it was and unaffected throughout the whole stretched time period.

6. DISCLOSURE OF PROCURMENT AND CONTRACT INFORMATION FOR THE WORKS CONTRACT

6.1 DISCLOSURE OF PROCURMENT INFORMATION

6.1.1 OVERVIEW OF THE PROCURMENT PROCESS

The contract agreement for the works contract has been signed on 18/10/2007 EC between Debre Markos University and Tamirat Temesgen Building Contractor. Invitation to bid was announced on 20/04/2015GC. Interested eligible bidders could purchase a complete set of bidding documents as of ‘**Miazia**’ 13, 2007 EC. Submission date of bid proposal was announced to be on ‘**Ginbot**’ 13, 2007 EC. Building and General contractors whose grade is a category of BC-4/GC-5 & above with valid licenses were invited to take part in the bidding. Following the bid invitation announcement, 13 bidders had collected the bid document from CDSCo head office. It was five bidders who have submitted their bid offer to the CDSCo. One was technically rejected for wrongly addressed bid security statement. The remaining four contractors were evaluated both technically and financially to check for their responsiveness and acceptance by the PE. Lastly, Tamirat Temesgen Building Contractor was the least bidder out all the four financially computing contractors and therefore the contract was awarded to this contractor.

6.1.2 VERIFICATION OF THE DISCLOSED PROCURMENT INFORMATION

6.1.2.1 COMPLETENESS OF THE DISCLOSED PROCURMENT INFORMATION

Completeness against the disclosure format information annexed with of this Report, shall be highly dependent on documents released by the PE and the consultant, CDSCo. So long as most important documents showing the procurement process such as bid invitation announcement, number of bidders who purchased the bid, contractors who submitted their bid offer, technical evaluation documents and financial evaluation documents are found, it could be determined that the procurement disclosure information is complete. The only missing document is award letter. Since contract agreement and the evaluation process are disclosed, the missed document does not significantly affect completeness of the disclosed procurement information.

6.1.2.2 ACCURACY OF THE DISCLOSED PROCURMENT INFORMATION

In order to keep all concerned parties on the same page and assure accuracy of the disclosed information, clarifications and missing document request had been sent to all. On the request made earlier, it was clearly stated that if no any reply is received, it shall be deemed that verification and analysis will be made only on available documents and general professional knowledge.

No reply is made from concerned parties. Therefore, information disclosed in this report is accepted through their silence and will be deemed as accurate.

6.1.3 ANALYSIS OF THE DISCLOSED PROCURMENT INFORMATION

6.1.3.1 COMPLIANCE OF THE PROCURMENT PROCESS WITH THE RULES OF ADVERTISEMENT

There is an evaluation methodology and criteria signed and attached to the contract agreement. The evaluation methodology and criteria is taken from **SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC**. Henceforth, this document is reserved as a reference for assessing compliance of the procurement process with rules.

Announcement of the bid and contents inside the announcement are all in line with standard requirements. The validity period given was one month (30 days) and this shall also meet minimum requirement of PPA procurement manual 'Hamle' 2002 EC. 13 Bidders have collected the bid document. List of companies who collected the bid is not indicated in the bid evaluation report.

Only five bidders have submitted their bid qualification proposal and financial offer. Adam Construction Plc was technically rejected for wrongly addressed bid security statement. The remaining four contractors were evaluated both technically and financially to check for their responsiveness and acceptance by the PE. Lastly, Tamirat Temesgen Building Contractor was the least bidder and therefore the contract was awarded to this company.

Therefore, it can be concluded that the procurement process has definitely encouraged fair competition.

The bid opening date was 13/09/2007EC. at CDSCo head office at 4:30 local time. Attendants who attended the bid opening session are tabulated on annex- 2. Presence of the PE Representatives and the consultant representatives shall make the session to be in compliance with requirements.

SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC indicates that the evaluation methodology and criteria are;

- ❖ Legal Qualification of the bidder
- ❖ Professional qualification and capability of the bidder
- ❖ Technical qualification, competence and experience of the Bidder
- ❖ Financial Standing of the bidder

Requirements against which the consultant has checked for technical responsiveness of the bidder are annexed with this report. Tables found from the consultant's evaluation report and which shows legal qualifications (Table-2), bid security responsiveness (Table- 3) and financial standing of the bidders (Table- 4) are all to be referred from annex-2

According to the information gained from the consultant's technical evaluation report, facts which the consultant has taken in to consideration for examining responsiveness of the contractors' technical qualification, competence and experience can also be referred from annex-2. However, few requirement details taken from evaluation criteria of the FPPA in comparison with what was obtained from the consultant's technical evaluation report are tabulated here under;

Table 6- Comparison of Bid Criteria

Factor	Requirements	Remark
1. Legal Qualification of the Bidder		
Registration in the PPA's suppliers	Having been registered in the PPA's suppliers	Not seen on the report

list	list in accordance with ITB clause 4.7	
Debarred by the decision of PPA	Having not debarred by PPA in accordance with ITB clause 4.3	Not seen on the report
Valid Trade License or business organization registration	Having been submitted trade license or business organization issued by the country of establishment in accordance with ITB clause 4.6	Not seen on the report
Valid tax clearance certificate	Having been submitted valid tax clearance certificate issued by the tax authority in accordance with ITB clause 4.6	Not seen on the report
2. Professional Qualifications and Capability of the Bidder		
Number of staffs	At least staffs currently working for the bidder	Not seen on the report
Personals for the key staffs	Staffs mentioned in sub-clause 2.1	Not seen on the report
3. Technical qualification, competence and experience of the bidder		
General & Specific Experience		Checked on the evaluation
Equipment for implementation of the contract	As per requirements on PPA manuals and directives	Not seen on the report
4. Financial standing of the bidder		
Historical Financial performance	In accordance with clause 17	Checked on the evaluation
Average annual turn over	In accordance with clause 17	Checked on the evaluation

Due to some criterion information not seen on the bid evaluation report, the AP could not be certain to conclude that the procurement evaluation process was in compliance with SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC requirements.

Table 7 - Financial offers of the bidders for the service sum with 15% VAT

COMPANY	AMOUNT WITH VAT		ERROR [(AC-BC)/BC] In %
	B.C.	A.C	
TNT Construction & Trading	61,540,811.64	64,403,526.76	4.65
Unity Engineering Pl			

3M Engineering Construction Plc	50,253,316.08	50,795,001.84	1.08
Tamirat Temesgen BC	50,080,578.35	50,094,290.95	0.03

6.1.3.2 EFFICENCY OF THE PROCURMENT PROCESS

Invitation to bid was announced on 20/04/2015 GC. Collection of the bidding documents begins from Miazia 13, 2007 EC. Final Bid submission date was Ginbot 13, 2007 EC. Bid opening date was also the same date and time. Dates at which technical evaluation was concluded is on 17/09/2007 while the financial evaluation report was signed by reporters on 02/10/2007.

Therefore, from time line point of view, it can be concluded that the procurement process was efficient.

6.1.3.3 FAIRNESS OF THE PROCURMENT RULES ON PARTICIPATION

So as to judge on fairness of the procurement rules on participation, Amharic version of Public Procurement Manual ‘Hamle’ 2002 EC. and SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC are taken as a reference frame. Henceforward, in reference to those frames, the procurement rules on participation are certainly fair. The contents of the invitation announcement document were also fair and inviting.

6.1.3.4 TRANSPARENCY OF TENDER EVALUATION PROCESS

Important tender documents such as bid invitation announcement, number of bidders who purchased the bid, contractors who submitted their bid offer, technical evaluation documents and financial evaluation documents are available, it could be determined that the tender evaluation process was transparent. Moreover, list of individuals who attended the session are already listed and found to be represented from all the three parties. The only missing information on the report is list of contractors who collected the bid but not submitted their offer. This missing list does not significantly affect transparency of the evaluation process. Furthermore, the number of computing contractor is fair enough for competition encouragement. Subsequently, it can be said that the tender evaluation process was transparent.

6.1.3.5 OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

As it was already mentioned under the item 6.1.3.1, there are important criterion which are a must meet requirement while nothing was mentioned in relation these points, on the tender evaluation report. These points are fundamental requirements to assure objectivity of the tender.

Having missed fundamentally a must meet requirement on the evaluation report, it cannot be concluded that the tender has successfully meet its objectivity in conjunction with award criteria.

6.1.3.6 COMPTITIVENESS OF THE AWARD PRICE

Any document containing engineering estimation of the consultant before the bid was announced or amount of budget kept by the PE a head of time was not acquired. **Therefor except professional conclusion relaying on inadequate data, nothing can be concluded about competitiveness of the award price.**

6.1.3.7 OVERVIEW OF THE CONTRACT MILE STONES

At the very beginning, the project was planned to be completed within 365 Calendar days at a contract price of ETB 50,094,290.95 ETB (Fifty Million Ninety-Four Thousand Two Hundred Ninety and 95/100 cents) including 15% VAT. Practical fact on the ground has significantly varied. Particularly, the project construction life time has varied by far (by about 163 percent excessive). Cost of the project has also deviated from the original price by ETB 5,999,566.40 (Five Million Nine Hundred Ninety-Nine Thousand Five Hundred Sixty-Six and 40/100). The project has passed through different change orders and excessively elongated time contract durations.

6.2 DISCLOSURE OF CONTRACT INFORMATION FOR THE WORKS CONTRACT

6.2.1 OVERVIEW OF THE CONTRACT

The works contract has been signed on 18/10/2007 EC between Debre Markos University and Tamirat Temesgen Building Contractor. The contractor has signed the agreement to execute Staff Lounge and related site works at Debre Markos town. The PE has accepted the bid offered by the contractor for the execution and completion of such works with in 365 calendar days and remedying of any defects therein for the contract price if **ETB 50,094,290.95 ETB (Fifty Million Ninety-Four Thousand Two Hundred Ninety and 95/100 cents).**

As stated by the BoQ, actual works listed to be carried out by the contractor is Staff Lounge and Site work. About 948 days have already been elapsed so far and the overall current status of the project is 92.95% in terms of financial progress.

Up to date (till ‘Yekatit’ 2010 EC.) payment certified to the contractor is **ETB 41,659,221.16 (Forty-One Million Six Hundred Fifty-Nine Thousand Two Hundred Twenty-One and 16/100 cents) including 15% VAT.** In line with SCC clause GCC 60.2 the amount of advance payment shall be 30 percent of the contract price. Practically the same amount, which is ETB 15,028,287.29 (Fifteen Million Twenty-Eight Thousand Two Hundred Eighty-Seven and 29/100cents) was effected to the contractor. An equal amount of advance repayment has been deducted from the contractor’s interim payments and 100 % is already paid back to the PE. The contractor’s performance bond expiry date is 28/10/2010EC and therefore it is still operative.

6.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

Completeness of the disclosed information is measured relative to the CoST-Ethiopia disclosure format annexed with this report. When compared with the reference format, some information related to changes to the contract are still missing. This changes could be cost and/or time related changes. The PE & the consultant was requested for clarifications and missing documents on changes to the contract. Clarifications and availability of missing documents were already requested through email and telephones. The PE has replied to some of the requests. Here are few of clarification requiring points and missing documents.

- i) **Clarification;** In reference to the consultant’s letter no. 610/00/474/2009 dated on 14/04/2009 and PE’s minutes of meeting held on 21//06/2009, external wall cladding material was changed from 600x300x6mm thick Rustic /Ceramic/ to Aluminum Cladding. It was mentioned that market unavailability of the originally specified material was justified by “nil” reply of two suppliers. Is it expressive to conclude that the material is not available on national market by referring to only two suppliers “nil” reply?

ii) **Clarification;** In reference to the same minutes of meeting detail attachment of the consultant's time extension analysis and justification, 218 days were approved for the contractor. On technical approach of the analysis and justification, the following points require your clarification.

a) Normally any addition and/or omission change orders time impact shall be analyzed by incorporating the change order works in to the already existing critical path tasks of the latest work schedule. This shall enable us to know parallel and sequential tasks affected by the change orders and also how the overall time schedule shall be extended or shortened.

Nevertheless, on the analysis and justification you have followed, proportional time to the planned & delayed tasks was calculated and given to the contractor. How far does this technical approach really represent delays affected by the change order? Moreover, how does it differentiate between parallel tasks remaining unaffected and sequential tasks to be affected by the change order?

b) Due to rainfalls depth of which is greater than 4mm, 68 days were entitled to the contractor. Basically, the following four factors shall be taken in to account while analyzing delays related to rainfall.

1. Rainfall depth
2. Rainfall Intensity Duration and time
3. Justification for unexpectedness of the rainfall or deviation from norms known during signing the contract
4. Nature of the works planned during the rain and actual works interrupted and remain uninterrupted (like outdoor & indoor activities) by the rain.

Yet only the first factor was included in the consultant's analysis. What about others?

While comparing with CoST disclosure format, due to the above mentioned missing documents and clarifications, the AP is unable to conclude that the information is complete.

6.2.2.2 ACCURECY OF THE DISCLOSED CONTRACT INFORMATION

It is quite clear that the disclosed contract information needs to be accurate. To make it accurate, missing information and points requiring clarifications were requested from the PE and the consultant. The only current source of information related with the works contract disclosed on this report is from the works contract agreement, monthly report prepared by the consultant, some change orders through which the project has passed, about three different time extensions entitled in different times, the engineer's agreement and bid process related documents. These documents were collected from the PE's project manager and the consultants head office.

With the understanding that except for few requests, no any reply for the missing documents and clarifications was acquired from the PE & the consultant, the AP is going to determine that both cost and time variance information disclosed on this report is accepted by all concerned parties and therefor the disclosed contract information is accurate.

6.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1 ISSUES RELATED TO THE CONTRACT PRICE

Basically the agreement made for the works contract was signed with a contract price of **ETB 50,094,290.95 ETB (Fifty Million Ninety-Four Thousand Two Hundred Ninety and 95/100 cents) including 15% VAT**. As to the monthly report of 'Yekatit' 2010EC, cost of the project has also already varied from the original price by ETB 5,999,566.40 (Five Million Nine Hundred Ninety-Nine Thousand Five Hundred Sixty-Six and 40/100). This variation is exceedance calculated from project cost before contingency or excluding the 10% contingency.

On the other hand, based on the recent information gained from the PE, there are about 5 round change orders. Its total amount is also exceeding the above cited figure as it is the recent one.

There are five change order documents understood from the PE.

- i) The first round change order has variation amount of ETB + 351,019.40 with 15% VAT. The variation has occurred as a result of additional orders of sanitary works. However, the variation document found so far says nothing on root cause of this addition and omission.
- ii) The second round change order has a variation amount of ETB + 1,289,973.40 with 15% VAT. The variation has occurred as a result of additional work order given to the contractor to execute sub surface drainage system.

- iii) The third round change order has a variation order amount of ETB + 4,358,573.60. with 15% VAT. It has happened due to the employer's interest change on design of the building construction materials.
- iv) The fourth round change order has a variation order amount of ETB + 8,233,597.80 with 15% VAT. It has happened due to the employer's interest change on design of the building construction materials.
- v) The fifth round change order has a variation order amount of ETB + 4,138,620.00 with 15% VAT. It has happened due to the employer's interest to go for additional order for the meeting hall facilities and ceiling works.

As it is shown above, essence of origination of the variations are not shown on the collected variation documents. Hence, except variation number five, the AP is unable to conclude that the variations remain correctly justified changes.

6.2.3.2 ISSUES RELATED TO CONTRACT DURATION

The signed agreement for the works contract duration was 365 calendar days. When equated with scope of the contract work, the originally allocated time was reasonable. In contrary to that the project duration is already extended for 413 calendar days. According to the recent information gained from the PE, the exceedance has reached 511 calendar days. It can be concluded that the contract duration is prolonged by 160%.

There are four rounds of time extensions that are known from the collected documents of the project.

- i) The first round time extension is about 77 calendar days. A document that contains analysis and justification of this time extension shows that it was due to late advance payment, design clarification and rain.
- ii) The second round time extension is about 66 calendar days. A document that contains analysis and justification of this time extension shows that it was mainly due to design clarification and rain.
- iii) The third round time extension is about 218 calendar days. A document that contains analysis and justification of this time extension shows that it was mainly due to change orders, national instability, design clarifications and rain.

iv) The fourth round time extension is about 150 calendar days. 72 calendar days were also given for additional work orders. A document that contains analysis and justification of this time extension shows that it was mainly due to design clarification, additional orders and rain.

Though, the PE has approved the time extensions related with rain, the following causes of concern should have been addressed before approval of the extension entitlement.

- **Clarification;** In reference to the consultant's letter no. 610/00/474/2009 dated on 14/04/2009 and PE's minutes of meeting held on 21//06/2009, external wall cladding material was changed from 600x300x6mm thick Rustic /Ceramic/ to Aluminum Cladding. It was mentioned that market unavailability of the originally specified material was justified by "nil" reply of two suppliers. It is not expressive to conclude that the material is not available on national market by referring to only two suppliers.
- **Clarification;** In reference to the PE's minutes of meeting held on 08/12/2009 detail attachment of the consultant's time extension analysis and justification, 218 days were approved for the contractor. On technical approach of the analysis and justification, the following points could be causes of further concern.

✚ **Normally** any addition and/or omission change orders time impact shall be analyzed by incorporating the change order works in to the already existing critical path tasks of the latest work schedule. This shall enable us to know parallel and sequential tasks affected by the change orders and also how the overall time schedule shall be extended or shortened.

Nevertheless, on the analysis and justification you have followed, proportional time to the planned & delayed tasks was calculated and given to the contractor. How far does this technical approach really represent delays affected by the change order? Moreover, how does it differentiate between parallel tasks remaining unaffected and sequential tasks to be affected by the change order?

✚ Basically, the following four factors shall be taken in to consideration while analyzing delays related to rainfall.

1. Rainfall depth
2. Rainfall Intensity Duration and time
3. Justification for unexpectedness of the rainfall or deviation from norms known during signing the contract
4. Nature of the works planned during the rain and actual works interrupted and remain uninterrupted (like in outdoor & indoor activities) by the rain.

Yet only the first factor was included in the consultant's analysis. Therefore, the AP could not conclude that justification of days given for the above reasons shall remain as correctly justified contract durations.

6.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

Along with the signed agreement for the works contract, scope of the project is referred from the BoQ list. Major scopes of the project are;

- ✓ Staff Lounge and
- ✓ Site works

In addition to the above project scopes, the contractor was ordered to go for the meeting hall chairs delivery and installation. This information is analyzed from time extension entitlement document of the first round.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 CONCLUSIONS

Before the conclusion, it to be reminded that the following clarifications and missing documents were requested.

- i. **Clarification;** In reference to the consultant's letter no. 610/00/474/2009 dated on 14/04/2009 and PE's minutes of meeting held on 21//06/2009, external wall cladding material was changed from 600x300x6mm thick Rustic /Ceramic/ to Aluminum Cladding. It was mentioned that market unavailability of the originally specified material was justified by "nil" reply of two

suppliers. Is it expressive to conclude that the material is not available on national market by referring to only two suppliers “nil” reply?

ii. **Clarification;** In reference to the same minutes of meeting detail attachment of the consultant’s time extension analysis and justification, 218 days were approved for the contractor. On technical approach of the analysis and justification, the following points require your clarification.

- Normally any addition and/or omission change orders time impact shall be analyzed by incorporating the change order works in to the already existing critical path tasks of the latest work schedule. This shall enable us to know parallel and sequential tasks affected by the change orders and also how the overall time schedule shall be extended or shortened.

Nevertheless, on the analysis and justification you have followed, proportional time to the planned & delayed tasks was calculated and given to the contractor. How far does this technical approach really represent delays affected by the change order? Moreover, how does it differentiate between parallel tasks remaining unaffected and sequential tasks to be affected by the change order?

iii. **Clarification;** Yet only the depth factor was included in the rainfall delay analysis. What about others?

Conclusions;

- ❖ It is quite clear that project information should be well documented and be kept with concerned bodies in an organized manner. The information should be accessible to all authorized individuals. On the contrary, the AP has found that either the information is not well organized & documented or readiness is not there to make them accessible.
- ❖ Consulting engineers should be able to minimize discrepancies between different categories of drawings such as between architectural and structural ones. They must be able to reconcile not only drawings with other drawings but also drawings with BoQ work item descriptions. If this is not achieved, then at least timely clarifications should be given by the supervision consultant.
- ❖ Due to some criterion not seen on the bid evaluation report, it would be possible to conclude that the procurement evaluation process was not in compliance with SBD-Works (NCB) – prepared by the PPA, Version 1 August, 2011 GC requirements.

- ❖ While justifying rainfall causing delays, factors such as the rain fall depth, rainfall intensity duration and time, justification for unexpectedness of the rainfall or deviation from norms known and nature of the works planned during the rain & actual works interrupted with uninterrupted ones (like in outdoor & indoor activities) should have been considered. Yet only the first factor was included in the consultant's analysis. Therefore, the AP considers rainfall causing time variation as properly unjustified variation.
- ❖ AP records that like trainings given for disclosure mainstreaming at PE level, another special training must be given on contract administration and information documentation and management.

7.2 ISSUES RECOMDED FOR FURTHER REVIEW

The AP would like to recommend that the following highlighted issues are advisable for further reviews.

- ✓ All missing documents must be availed by concerned bodies. Points for which clarifications are requested should be replied.
- ✓ Procurement method of the consultant both for design adaptation and construction supervision works should be studied further.
- ✓ The bid evaluation criterion used on procurement of the contractor for the main works needs to focused on and studied.
- ✓ The contract duration has exceeded by 160%. This is a significant variation. Right after accessing all time extension claims, analysis and justification documents with all attached relevant evidences are advised for further examination.
- ✓ There are a number of change orders. However, details of each change orders mainly focusing on their cost implications, needs additional assessment.

ANNEX 1 - DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION (44 ITEMS)

PART 1- PROCUREMENT INFORMATION (30 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	17 July, 2018 GC	17 July, 2018 GC	17 July, 2018 GC
	Contract title	Debere Markos University Staff Lounge Building at Debre Markos, Project No. D8-028/2005	NA	Agreement Between Debre Markos University and CDSCo for Supervision & Contract Administration of Staff Lounge (Lot II) at Debre Markos
	Location	Amhara Regional State, West Gojam at Debre Markos University main campus	Amhara Regional State, West Gojam at Debre Markos University main campus	Amhara Regional State, West Gojam at Debre Markos University main campus
	Procuring entity	Debre Markos University	Debre Markos University	Debre Markos University
	Source for further information	Name; Ato Leta Hora Position: Debremarkos University project manager Tel: -058-178-00-04 Mob: +251916587621 Email:	Name; Ato Leta Hora Position: Debremarkos University project manager Tel: -058-178-00-04 Mob: +251916587621 Email: Ato Getu & Ato Girma	Name; Ato Leta Hora Position: Debremarkos University project manager Tel: -058-178-00-04 Mob: +251916587621 Email: Ato Getu & Ato Girma

			CDSCo Tel: +251114420959 Mob: +251911618338	CDSCo Tel: +251114420959 Mob: +251911618338
	Date of procurement notice	20/04/2015 GC	NA	NA
	Floating period of the procurement notice	30 days	NA	NA
	Media used for procurement notice	News Paper	NA	NA
	Method of procurement	Open Bid	NA	NA
	Type of Procurement	Works	Consultancy service	Consultancy service
	Procurement procedure	NCB	RFP	RFP
	Evaluation criteria	Least Bidder for technically responsive bidders	NA	NA
	Type of contract & project delivery method	Admeasurement Contract	Lump Sum	Time based contract (monthly)
	Type & Amount of bid security	Bank Guarantee ETB 100,000.00	NA	NA
	Content of any complaint lodged	None	NA	NA
	Engineer's estimate	NA	NA	NA
	Date of bid opening	'Miazia' 01, 2007 EC	NA	NA
	Number of bidders: Participated, rejected and declined to submit	13 Collected, 5 Participated and 1 Rejected	NA	NA
	Awarded firm/contracting firm	Tamirat Temesgen BC	NA	CDSCo
	Date of contract award	NA	NA	NA
	Award price/original contract price	50,094,290.95 ETB	956,663.81 ETB	55,000 ETB per month

	Contract security type and amount	Conditional Insurance Bond & 10% of the contract price	NA	NA
	Date of contract signing	18/10/2007 EC	November 28 th , 2014 GC	15/12/07 EC
	Contract scope	• Staff Lounge Building • Related Site work	• Final Design (Sub Structure & Superstructure) • Draft Tender Document • Final Document	• Construction supervision • Contract Administration
	Description of contract & Contract components	Construction of Debre Markos University Staff Lounge building.	Design agreement between Debre Markos University & Construction Design Share Company for Design Works of Administration office & Staff Recreation Building	Agreement Between Debre Markos University and CDSCo for Supervision & Contract Administration of Staff Lounge (Lot II) at Debre Markos
	Contract administration entity	Debre Markos University Project Management & CDSCo	Debre Markos University Project Management & CDSCo	Debre Markos University Project Management & CDSCo
	Contract duration	395 calendar Days	105 Calendar Days	395 calendar Days
	Contract start date	09/11/2007 EC	December 5 th , 2014 GC	15/12/2007 EC

	Intended completion date	08/11/2008 EC	March 20 th , 2014 GC	08/11/2008 EC
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PART 2- CONTRACT IMPLEMENTATION (14 ITEMS)				
CONTRACT IMPLEMENTATION (14 ITEMS)	Contract status (ongoing (% progress), terminated, completed)	Ongoing, 92.98%	Completed, 100%	Ongoing, 92.98%
	completion date (Revised, projected, Actual)	24/01/2010 EC	March 20 th , 2014 GC	24/01/2010 EC
	Changes to contract duration with Reason	413 Calendar days due to different reasons stated in the report	No Changes	413 Calendar days due to different reasons stated in the report
	Amount of Liquidated Damage if applied (Penalty for delay)	NA	NA	NA
	Contract price (Revised, projected, Actual)	56,093,857.35 ETB (revised)	956,663.81 ETB	55,000 ETB per month (Actual)
	Changes to contract price with reason	5,999,566.40 ETB Due to Different change orders	No Changes	13.77months x 55,000 ETB/month = 757,350 ETB
	Scope at completion	• Staff Lounge • Site work • Installation of meeting hall chairs	• final design (sub structure & superstructure) • draft tender document • final document	• Construction supervision • Contract Administration
	Changes to contract scope with reason	Installation of the meeting hall chairs to make it fully functional 200 person seat hall	No Changes	NA
	Total payment effected	41,659,221.16 ETB	NA	NA
	warranty type and description	NA	NA	NA
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	NA	NA	NA

	Quality of work (very good, good, inferior, impossible to comment)	Good	Good	Good
	Disputed issues & Award details	NA	NA	NA

PART 2- CONTRACT IMPLEMENTATION (14 ITEMS)

CONTRACT IMPLEMENTATION (14 ITEMS)	Contract status (ongoing (% progress), terminated, completed)	Ongoing, 92.98%	Completed, 100%	Ongoing, 92.98%
	completion date (Revised, projected, Actual)	24/01/2010 EC	March 20 th , 2014 GC	24/01/2010 EC
	Changes to contract duration with Reason	413 Calendar days due to different reasons stated in the report	No Changes	413 Calendar days due to different reasons stated in the report
	Amount of Liquidated Damage if applied (Penalty for delay)	NA	NA	NA
	Contract price (Revised, projected, Actual)	56,093,857.35 ETB (revised)	956,663.81 ETB	55,000 ETB per month (Actual)
	Changes to contract price with reason	5,999,566.40 ETB Due to Different change orders	No Changes	13.77months x 55,000 ETB/month = 757,350 ETB
	Scope at completion	- Staff Lounge - Site work - Installation of meeting hall chairs	- final design (sub structure & superstructure) - draft tender document - final document	- Construction supervision - Contract Administration
	Changes to contract scope with reason	Installation of the meeting hall chairs to make it fully functional	No Changes	NA

		200 person seat hall		
	Total payment effected	41,659,221.16 ETB	NA	NA
	warranty type and description	NA	NA	NA
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	NA	NA	NA
	Quality of work (very good, good, inferior, impossible to comment)	Good	Good	Good
	Disputed issues & Award details	NA	NA	NA

PART 3- DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)		
PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of disclosure	18 June, 2018 GC
	Project owner	Debre Markos University
	Project name	Debre markos University Construction of Staff Lounge
	Sector, subsector	Building
	Source for further information	Name; Ato Leta Hora Position: Debre markos University project manager Tel: -058-178-00-04 Mob: +251916587621 Email:
	Project Location	Amhara Regional State, West Gojam at Bure town
	Purpose	To build up to standard Staff lounge containing a meeting hall
	Project description	Debere Markos University Staff Lounge Building at Debre Markos, Project No. D8-028/2005
	Original Project Scope	Staff Lounge Building Related Site work
	Project Components	Staff Lounge Building with meeting hall and Related Site works
	Environmental impact	NA
	land & settlement impact	NA
	Estimated budget of the project with breakdown of components	NA
	Funding sources	Government Budget
	Project budget approval date	NA
	Project start date (planned, actual)	09/11/2007 EC

	Planned/ Original duration for completing the whole project	365 Calendar days
	Planned/Original cost of the project	Staff Lounge Building Related Site works
PROJECT INFORMATION AT COMPLETION (8ITEMS)	Cost of the project at completion	ETB 56,093,857.35 (Current)
	changes of project cost with reason	5,999,566.40 ETB Due to Different change orders
	Project completion date (Revised, projected, actual)	24/01/10 EC (Report on 'Yekatit' 2010 EC)
	Actual duration for completing the whole project	962 Calendar days (revised on 'Yekatit' 2010 EC)
	changes of project duration with reason	413 Calendar days due to three different time extensions
	Project Scope at completion	Staff Lounge Building Related Site works Installation of chairs for the hall
	changes of project scope with reason	Installation of chairs for the hall to make it a fully functional meeting hall.
	Reference to documents for disclosure upon request (reactive disclosure)	Invitation, Bid, contract agreements, variation, time extension and monthly reports.

ANNEX 2- TABLES SHOWING DATA FROM BID EVALUATION REPORT

Table 1- List of Bid Attendants

No.	Name	Company	Remark
1	Tesfahun Abebe	PE	
2	Asregid Melese	PE	
3	Girma Lemlem	Consultant	
4	Bekele Wakjira	Consultant	
5	Siyoun Nigatu	3M Engineering Construction	
6	Addisalem B.	TNT Construction & Trading	
7	Ermias Abera	Tamirat Temesgen BC	
8	Behash Asrat	Unity Engineering	
9	Biruk Teshome	Adam Construction	

Table 2 –Legal Qualification (Completeness Signing & sealing of the bid)

Item No.	Bidders Name	Bids Signed & Sealed	Responsiveness
1	3M Engineering Construction Plc	Yes	Responsive
2	TNT Construction & Trading	Yes	Responsive
3	Tamirat Temesgen BC	Yes	Responsive
4	Unity Engineering Plc	Yes	Responsive
5	Adam Constriction Plc	Yes	Responsive

Table 3 -Bid Security by type & Responsiveness

Item No.	Bidders Name	Bid Security Type	Required Amount	Submitted	Responsiveness Type	Addressed to	Responsiveness for the address
1	3M Engineering Construction Plc	Bank Guarantee	100,000.00	100,000.00	R	Employer & for the project	R
2	TNT	Bank	100,000.00	100,000.00	R	Employer &	R

	Construction & Trading	Guarantee				for the project	
3	Tamirat Temesgen BC	Bank Guarantee	100,000.00	100,000.00	R	Employer & for the project	R
4	Unity Engineering Plc	Bank Guarantee	100,000.00	100,000.00	R	Employer & for the project	R
5	Adam Constriction Plc	Bank Guarantee	100,000.00	100,000.00	R	Consultant	R

Table 4 - Financial Standing of the Bidder

Company	Submitted	Requirement	Required Evidence		Responsiveness
	Average Annual Turn Over (ETB)	Average (ETB)	Auditor's Report	Declaration from Revenue Agency	
3M Engineering Construction	119,654,963.00	40,000,000.00	Yes	-	R
TNT Construction & Trading	78,553,613.60	40,000,000.00	Yes	-	R
Tamirat Temesgen BC	41,432,358.54	40,000,000.00	Yes	-	R
Unity Engineering Plc	71,583,433.20	40,000,000.00	Yes	-	R

Table 5 - Technical Qualification, Competence and Experience of the Bidder

Item No.	Company	Project Name	Minimum Required Value	Submitted project value	Employer's supporting document for Good	Responsiveness
1	3M Engineering	Oromia Educational	40,000,000.00	80,000,000.00	Yes	R

	Construction	Bureau				
2	TNT Construction & Trading	Federal Prison Administration	40,000,000.00	161,020,522.97	Yes	R
3	Tamirat Temesgen BC	Wisdom Shopping Center	40,000,000.00	60,813,016.63	Yes	R
4	Unity Engineering Plc	Gondar University	40,000,000.00	388,621,000.00	Yes	R

ANNEX 3 – LIST OF AVAILABLE & MISSING DOCUMENTS

No.	Project Stage	Document Type	Document Availability	Remarks
1	Project Identification	Project feasibility study	Not available	
2	Project Budget	Project budget procurement & request plan	Not available	
		Project budget estimation document	Not available	

		Engineers estimation	Not available	
3	Procurement Process Documents			
3.1	Design and Site Adaptation consultant	Notice of Request for proposal	Not available	
		Tender Evaluation Report – Technical	Not available	
		Tender Evaluation Report - Financial/combined	Not available	
3.2	Supervision Consultant	Notice of Request for proposal	Not available	
		Tender Evaluation Report – Technical	Not available	
		Tender Evaluation Report - Financial/combined	Not available	
3.3	Contract Works	Notice to invitation	Available	
		List of contractor's collected the bid	Not available	
		Bid technical evaluation report	Available	
		Bid Financial Evaluation Report	Available	
		Letter of award	Not available	
4	CONTRACT INFORMATION DOCUMENTS			
4.1	Design and Site Adaptation consultant	Contract Agreement	Available	
		Documents on changes to cost	No change	
		Documents on changes to time	No change	
		Documents on changes to scope	No change	
		Design report that contains engineers estimation	Not available	
		Payments actually effected for the service rendered	Not available	
4.2	Supervision consultant	Contract Agreement	Available	
		Documents on changes to cost	Available	
		Documents on changes to time	Available	
		Documents on changes to scope	Not available	

		Payments actually effected for the service rendered	Not available	
4.3	Main Works (Contractor)	Contract Agreement		
		Changes to contract cost	Available	
		Documents on changes to time	Available	
		Documents on changes to scope	Available	
		Latest monthly report	Available	
		Latest revised work program	Available	
		Last Payment certificate	Available	
		Time extension approval of the PE	Available	
		Change order approval of the PE	Available	



REVISED DRAFT REPORT

Quality Assurance of disclosed information on Multipurpose Hall Building Project and disclosure of additional information

Procuring Entity: Adama Science and Technology University

Asmerom Tadesse - Assurance Professional

July 2018, Addis Abeba

NOTICE

This assurance report is prepared by an Assurance Professional employed by the National Multi-Stakeholder Group Executive Committee (NMSGEC) of CoST-Ethiopia.

While CoST-Ethiopia administers the assurance process, establishes working documents for guidance and gives feedback on the assurance report; it does not write the document and it does not independently test, evaluate, or verify the accuracy or completeness of any information or the soundness of any judgments contained in the assurance report.

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ACRONYMS/ ABBREVIATIONS

AP	- Quality Assurance Professional
ASTU	- Adama Science and Technology University
CoST	- Construction Sector Transparency Initiative
EIA	- Environmental Impact Assessment
ETB	- Ethiopian Birr
FDRE	- Federal Democratic Republic of Ethiopia
FPPAA	- Federal Public Procurement and Property Administration Agency
IDS	- Infrastructure Data Standard
MPH	- Multipurpose Hall
NMSGEC	- National Multi-Stakeholder Group Executive Committee
PE	- Procuring Entity
PLC	- Private Limited Company
SBD	- Standard Bidding Document
TC	- Technical Committee
VAT	- Value Added Tax
VfM	- Value for Money
VO	- Variation Order

EXECUTIVE SUMMARY

The aim of Construction Sector Transparency Initiative (CoST) is to enhance transparency of Procuring Entities (PEs) and construction companies. It will do this by disclosing to the public ‘Material Project Information’ (MPI) at all stages of the construction project cycle, from the initial identification of the project to the final completion.

In its effort to streamlining disclosure, CoST-Ethiopia delivered trainings, mentorship and follow up disclosures which as a result have enabled Procuring Entities to disclose on the website of FPPAA. To this respect, Adama Science and Technology University (ASTU) has disclosed information and availed project documents on the implementation process of an ongoing Construction of Multi-purpose hall in May 2018 which is made up of the following two (2) services and one (1) work contracts:

- 1) SERVICE CONTRACT 1: Consultancy services for design and tender document preparation for Multipurpose Hall (MPH) & other projects design and related tasks,
- 2) SERVICE CONTRACT 2: Consultancy services for construction supervision and contract administration, and
- 3) WORK CONTRACT: Construction Works of Multi-purpose hall project.

The project aims to create an indoor space whereby the university communities of the university congregate in for various events. Having justified the implementation of the project, the government of FDRE on program budget basis has allocated sufficient budget to finance payments for the service and work contracts forming parts of the implementation of the project.

On the basis of National Competitive Bidding Procedure, the Procuring Entity had procured Service Contracts II using “Open Tendering” and Quality and Cost Based Selection (QCBS) as a method of procurement and Evaluation Criteria. The invitation to Bid was published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. Despite this, the number of firms that purchased and collected the RFP document was not disclosed. Four (4) firms had submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals among which only two passed to the next evaluation stage.

The Procurement of Work Contract on the other hand, had used International Competitive Bidding (ICB) Procedures and the evaluation of bids was conducted by a two stage procedure involving technical and financial bids evaluation. The invitation to bid was published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. In response to the invitation, five bidders submitted their bid offers among the many bidders that bought the bidding document. Similar to service contract II, only two passed to the next evaluation stage.

ASTU and Habtamu International Consulting Architects and Engineers PLC concluded a contract agreement on June 25, 2012 for provision of consultancy services to prepare designs and tender documents for the construction of OPD, MPH and business complex buildings. The original contract period and the period within which the services should be commenced were 6 months and one (1) week after the signing of the contract, respectively. The original contract price inclusive of a 15% VAT was ETB 391,575.00, while the original scope of services to be

rendered by the Consultant was to undertake the site survey, design and bidding documents preparation activities for the construction of of hospital OPD, MPH and business complex buildings locations. It is observed that Service contract I was completed without significant changes in contract price, contract duration and scope.

With regard to Service Contract II, ASTU and Habtamu International Consulting Architects and Engineers PLC concluded a Consultancy Service Agreement on Nov 25, 2013. The original contract periods for the completion of the consultancy services for MPH building was 12 months (as of the commencement dates the respective work contracts). The original contract price of the Consultancy Services for Construction Supervision and Contract Administration for Multipurpose Hall (MPH) & other projects was ETB 2,285,050.00 with 15% VAT and a supplementary agreement was concluded on April 21, 2017.

The Original Contract Price of the agreement concluded on January 15, 2014 between ASTU and Afro-Tsion Construction PLC for the work amounts to ETB 133,265,354.55 inclusive of 15% VAT and The period of construction is 12 months excluding 10 days of mobilization period while the intended completion date was on December 25, 2016.

With regard to Project Identification, completion of Service Contract I, implementation of Service Contract II and Work Contract that forms parts of the implementation of the project, the analysis of the disclosed documents have revealed the following facts:-

- Except the undesired impacts of the project, ASTU's disclosure provides clear information, among others, on the Project location, Project scope, Purpose of the project, Source of funding, Original project cost and duration. Thus, it is noted that the coverage and quality of disclosed information adequately reveals the project identification of MPH building project.
- The methods and procedures of procurement that the Procuring Entity adopted in the procurement of service contract II and work contract are in compliance with the Procurement Directive and regulations. However, the total time input for the procurement of Service Contract II and Work Contract are 232 and 344 days, respectively thus implying the causes of concern on the procuring entity's compliance with the principles that supports the country's economic development by ensuring efficiency in the execution of public procurement. Moreover, the incompleteness of the documents availed by the PE has thus deterred the Assurance Professional to make informed judgment on the procurement process of service contract I.

The performance of service contracts in light of cost, time and scope performance indicators:-

- It is observed that Service Contract I was completed without significant changes in contract price, contract duration and scope.
- The disclosed documents have revealed that no significant changes have been made with regard to scope of service contract II related to the MPH building though they have not adequately justified the reasons for the significant changes observed with regard to the overall contract price and duration of the consultancy service.

The performance of work contract in light of cost, time and scope performance indicators:-

- As of February 21, 2008 the overall changes to the original contract price was 24.48%. The total contract price adjusted for the last variation order and previous variations is ETB 165,893,918.05 including 15% VAT.

- The original period of construction was 12 months including 10 days of mobilization period while the intended completion date was on January 24, 2015. It is noteworthy that the mobilization time given to the contractor is not sufficient enough so as to undertake among others pre-construction planning which is one of the key factors for project success. As of May 31/2018 (intended revised completion date), 434% of the contract period (1584 days) had been elapsed thus showing a "behind schedule" condition with a time overrun of 334%.
- The project has undergone with the significant scope changes which are attributed to the following reasons explained in the availed documents. In a bid to adequately justify the significant scope changes, the PE shall provide clarification for the issues stated in the proceeding section.

Heeding the above stated results of Quality Assurance Process undertaken on the information that ASTU has disclosed on MPH building project, the following issues are recommended upon which the PE shall provide clarifications and explanations:

a) Procurement process of service contract II

- The major documents (such as Invitation to bid, Tender Evaluation Report - Technical and Tender Evaluation Report, and Financial/combined) which are vital to understand the tender process have not been made available by the PE. The incompleteness of the documents availed by the PE has deterred the Assurance Professional to make informed judgment on the procurement process of service contract I.

b) Procurement process of service contract II

- Except the insufficient floating period (16 days), the overall procurement process complies with the rules of advertisement.
- The PE opened the financial proposals after 2 working days from the date of notification of the technical evaluation result thus revealing incompliance to the procurement directive.
- The PE adopted among its evaluation criteria the firm's relevant experience (20) which is made of two sub-criteria - provision of letter of recommendation for successful accomplishment of the assignment from pertinent client (10%) and Provision of ISO 9/2003 certification (10%) which is beyond the percentage of points specified in the directive (5-10). Hence, the PE is required to justify the reasonableness of the criteria (evaluation and award criteria) it applied in making the procurement decision.
- With regard to procurement packaging, the PE shall adequately justify the reasons for not organizing the procurement of the consultancy services in such a way that other suppliers in the suppliers list may have the opportunity of competition to sale their services.
- Despite the principles of procurement, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.
- The monthly reimbursable amount(ETB 21,000.00) that formed the financial offer of the selected bidder should have been multiplied by the number of months/contract period so as to compute the financial offer thus calling for further explanation by the PE.

c) Procurement process of work contract

Procuring Entity	Project	Page x
Adama Science & Technology University	Construction of Multipurpose Hall	

- Approach in determining the successful bid: The documents that the PE availed do not justify the reasons why it was necessary to allocate 0.6 and 0.4 weights to the technical and financial offers, respectively.
- Section 3 (evaluation and qualification criteria) of the tender document states among others that "*Priority of the projects had to be mentioned. However, bidder who fails to comply with the criteria is subjected to complete rejection.*" The AP has found it the objectivity of this criteria and hence calls for the PE's justification about its reasonableness as well as legal source.
- Both the procurement proclamation and directive stipulate that any public entity must among others ensure economy in the execution of public procurement. Despite this, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.

d) Implementation process of Service Contract II

- The disclosed documents have revealed that no significant changes have been made with regard to scope of service contract II related to the MPH building though they have not adequately justified the reasons for the significant changes observed with regard to the overall contract price and duration of the consultancy service.

e) Implementation process of work contract

- The project has undergone with the significant changes with regard to contract price, duration and scope which are attributed to the reasons explained in the availed documents. In a bid to adequately justify the significant scope changes, the PE shall provide clarification for the issues stated hereunder:
 - The added and omitted activities (incl. Materials),
 - Items that correspond to client initiated changes,
 - Provide further information about consultant's contractual default in handling and administering the project as well as the service contract reinstatement issue, and
 - Activities affected by mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ.

f) General

- In all procurement processes covered in the assurance process, it is observed only two firms had passed to the financial evaluation stages thus implying the award prices were decided with narrow scope of competition.
- The comments and verifications (including signature) of procurement endorsing committee are not shown in all the procurement documents made available

1. INTRODUCTION

1.1 Background

The Construction Sector Transparency Initiative (CoST) is a country- centred initiative to improve the value for money spent on public infrastructure by increasing transparency in the delivery of Government financed construction projects.

Strengthening transparency and accountability in public construction yields benefits both domestically and internationally. It curbs mismanagement, waste, and corruption and reduces risks to public safety from poor construction practices. It improves fairness in competition for contracts and can also increase the flow of foreign direct investment and development finance into a country's construction sector.

Disclosure of Infrastructure Data Standard (IDS) is one of the three essentials of CoST. Assurance of the disclosed information and demand for accountability (based on the disclosed information) are the other basics of the Initiative. Accordingly, CoST – Ethiopia had disclosed 52 projects since its establishment by employing Assurance Professionals though the disclosures should have been made by the Procuring Entities (PEs) themselves. The establishment of a system whereby the PEs disclose by themselves was primarily inhibited by the failure to bring the mainstreaming of the disclosure process to a satisfactory level.

The disclosure process to be sustainable, it requires mainstreaming. Towards this end, CoST – Ethiopia delivered rounds of training programs (backed with Mentorship and Follow-up of the Disclosure Process) to delegates (drawn from 24 public universities and 10 other federal institutions responsible for various public works in building, water and road subsectors) on the basics of CoST and Application of the website of Federal Public Procurement and Property Administration Agency (FPPAA) for the disclosure of Infrastructure Data Standard by the respective PE.

Following the above stated training, mentorship and follow up services; the PEs were expected to disclose the IDS of two (2) projects using the template posted on the website of FPPAA. To this respect, Adama Science and Technology University (ASTU) has disclosed information on the implementation process of an ongoing Construction of Multi-purpose hall and Research Park building Projects on the FPPAA website. Infrastructure Data Standard (IDS) that ASTU disclosed on the website of Federal Public Procurement and Property Administration Agency (FPPAA) is presented in Annex 1.

The National Multi-Stakeholder Group Executive Committee (NMSGEC) of CoST-Ethiopia has employed an Assurance Professional to undertake verification, analysis and interpretation activities so that the information released by ASTU is both accurate and available in a form that can easily be understood by stakeholders.

This draft report is prepared to describe the findings of the Assurance Process that has been undertaken on the disclosed information pertinent to Construction of Multi-purpose hall building project.

1.2 Objectives of the assurance process

The Assurance Professional (AP) has been appointed to achieve the following core objectives of the assurance process:

1. To verify the accuracy and completeness of IDS disclosures by the PE,
2. To analyse disclosed and verified data in order to make informed judgements about the cost, time and scope aspects of the CoST Project, and
3. To produce a report that is clearly intelligible to the non-specialist, outlining the findings regarding the implementation process and highlighting any cause for concern that analysed information reveals on CoST Project.

1.3 Challenges of the assurance process

In the course of the assurance process, the procuring entity has been cooperative and it can be said that no major challenges has been faced except the failure to avail some project documents. Annex 2 summarizes the list of documents that the AP requested and availed by the PE.

2. DISCLOSURE OF PROJECT INFORMATION

It is apparent that the government of the Federal Democratic Republic of Ethiopia (FDRE) has considered the education sector as a cornerstone of the capacity building, poverty reduction and sustainable development. In addition to ensuring access to elementary education for all citizens, the government has been investing a huge outlay of public fund for the expansion of secondary and tertiary education throughout the country.

As part of its effort to fulfill the developmental objectives bestowed upon it, Adama Science and Technology University has been expanding its academic and support facilities through constructing various infrastructures and buildings including a Multi-purpose hall (MPH) of which project information are summarized in table 1 below.

The implementation process of the MPH has involved various entities of which participations are ensured mainly through different contractual arrangements coined to serve the intended purposes. The following two (2) services and one (1) work contracts form parts of the implementation of an ongoing MPH building project:

- i. SERVICE CONTRACT 1: Consultancy services for design and tender document preparation for Multipurpose Hall (MPH) & other projects design and related tasks,
- ii. SERVICE CONTRACT 2: Consultancy services for construction supervision and contract administration, and
- iii. WORK CONTRACT: Construction Works of Multi-purpose hall project.

Table 1: Overview of project identification

Project identification variable	Description
Project location	Within the premises of ASTU's main campus, Adama City
Project scope	A Basement + G+2 building with separate main hall having the accommodation capacity of 3000 seats.
Purpose of the project	To create an indoor space whereby the university communities congregate in for various events and for income generation.
Undesired impacts of the project	It is difficult to make an informed judgment on the impacts of the project as the PE hasn't availed any document related to preliminary statutory requirements such as environmental impacts assessment study report.
Source of funding	The government FDRE
Original project cost	– Service contract I - 391,575.00 – Service contract II - 2,285,050.00 – Work contract - 133,265,354.00 – Total - 135,941,979.00
Original project duration	– Service contract I - 6 months – Service contract II/ Work contract - 12 months

3. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 1

3.1 Disclosure of procurement information

3.1.1 Overview of the procurement process

In line with the procurement process of the *Consultancy Services for Multipurpose Hall (MPH) & other projects design and related tasks*, the PE has disclosed only an enclosure letter and Bid document for open tender, and notification letter of bid evaluation result to bidders from which the following information are extracted:

- On 27/02/2012: the head of compound services submitted the tender document (design of outpatient department, Multi-purpose conference hall and business complex buildings) to purchasing department so as to advertise on Ethiopian herald and Addis Zemen newspapers
- The head of purchasing section notified the evaluation results of the two bidders in June 2012 for the 'bid for design consultancy service for OPD, MPH and business complex. And thru the same letter announced that Habtamu International Consulting Architects and Engineers PLC is the winner of the bid.

Table 2: Notification letter of bid evaluation result to bidders

No	Bidders' Name	Weighted technical score (80%)	Weighted financial score (20%)	Total Score (100%)	Rank
1	Habtmu International Consulting Architects and Engineers PLC	70.4	20	90.4	1
2	Afri Consulting Architects Engineers PLC	72.51	13.07	85.58	2

The major documents (such as Invitation to bid, Tender Evaluation Report - Technical and Tender Evaluation Report, and Financial/combined) which are vital to understand the tender process have not been made available by the PE. The incompleteness of the documents availed by the PE has thus deterred the Assurance Professional to make informed judgment on the tender process to procure service contract I in light of

- Compliance of the procurement process with the rules of advertisement,
- Efficiency of the procurement process (Timeliness),
- Fairness of the procurement rules on participation,
- Transparency of the tender evaluation process,
- Objectivity of the tender evaluation and award criteria, and
- Competitiveness of the award price.

3.2 Disclosure of contract information

3.2.1 Overview of the contract

ASTU and Habtmu International Consulting Architects and Engineers PLC concluded a contract agreement on June 25, 2012 for provision of consultancy services to prepare designs and tender documents for the construction of OPD, MPH and business complex buildings. With regard to securing the proper execution of all the Consultant's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Service the Contract, the Consultant has provided a performance security amounting to ten (10%) of the total contract price within the stipulated time frame.

The original contract period and the period within which the services should be commenced were 6 months and one (1) week after the signing of the contract, respectively. The original contract price inclusive of a 15% VAT was ETB 391,575.00, while the original scope of services to be rendered by the Consultant was to undertake the site survey, design and bidding documents preparation activities for the construction of of hospital OPD, MPH and business complex buildings.

In connection to contract implementation/completion, Habtmu International Consulting Architects and Engineers PLC submitted both preliminary and final design reports & requested

final payment on 22/01/2013. To this respect, the head of compound service requested the finance dept to effect the stated payment on 02/04/2013.

3.2.2 Verification of the disclosed contract information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The PE has disclosed the main contract document "Contract Agreement between ASTU and Habtamu International Consulting Architects & Engineers for the Consultancy Services" and a letter addressed to finance department to process the final payment request of the consultant. Documents (such as Consultancy completion report/ Audit and evaluation reports) that are helpful to understand the delivery process (implementation/completion) of service contract I are not availed by the PE. Hence, it is found difficult to make informed judgment about the observed information variance.

3.2.3 Analysis of the disclosed contract information

The analysis of the disclosed contract information and the consequent interpretation in terms of the changes and justifications of changes observed in connection to contract price, duration and scope are made hereunder.

3.2.3.1 Issues related to contract Price

The sum of payments depicted in the final payment request amounts to the original contract price thus showing that the consultancy service was completed without any price changes.

3.2.3.2 Issues related to contract duration

The original completion date of the service contract was on 2/1/2013 while the consultant submitted and requested for the final payment on 22/01/2013 thus showing the consultancy service was rendered with insignificant changes in contract duration.

3.2.3.3 Issues related to contract scope

The consultancy service was completed without any significant scope changes.

4. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 2

4.1 Disclosure of procurement information

4.1.1 Overview of the procurement process

With the intent of procuring service contract II- consultancy service for construction supervision and contract administration of Hospital OPD and Female Dormitory buildings (for its campus at Asela city) and central administration, dining hall and Multi-purpose hall buildings (for its main campus at Adama city); the PE had posted

Invitation to Bid (ITB) on the Ethiopian Herald newspaper on 06/04/2013. The ITB had among others specified the following information and requirements:

- All bids must be accompanied a bid security of ETB 10,000.00 (in the form of certified cheque, cash, Letter of Credit or a bank guarantee), and
- The deadline for submission of bid is on the first regular working day after 15 days starting from the first date of the official announcement of this bid on the Ethiopian herald and/or Addis Zemen newspaper at 3:00am.

In response to the invitation, four consultants submitted their bid offers among the bidders that purchased and collected the RFP document. Based on the procedures set out in the RFP, the technical offers of the bidders were opened in the presence of concerned offices from ASTU and representatives of the bidders. Following this, a technical evaluation committee consisting 5 members was established to carry out the detail evaluation of the bidders' technical proposals to identify bidders who are responsive to the technical requirements of the bidding document and meets the minimum criteria to pass to the next evaluation stage.

Table 3: Evaluation criteria extracted from the tender document

S/n	Criteria	Maximum Points
1	Firm's relevant experience	20
1.1	Provision of letter of recommendation for successful accomplishment of the assignment from pertinent client	10
1.2	Provision of ISO 9/2003 certification	10
2	Adequacy of the proposed work plan and methodology	25
2.1	Technical approach and methodology	13
2.2	Work plan and deliverables	9
2.3	Organization and staffing	3
3	Qualifications and competence of the key staff for the Assignment	50
3.1	General qualification	22
3.2	Adequacy for the assignment	28
4	Technology transfer/experience sharing and client's staff training	5
Total Points		100

Accordingly, after completing the evaluation, the technical evaluation report comprising detail examinations of proposals and information recommendations was submitted to concerned body for confirmation and approval.

On 11/10/2013, the Vice president for Administration thru a letter (Notification of Evaluation Result of Your Technical Offers) notified the technical bid evaluation results of Yohannes Abbay Consulting Architects and Engineers, Habtamu International Consulting Architects and Engineers PLC, GENCON Engineering Share Company and Acute Engineering PLC.

Table 4: Summary of technical bid evaluation results

No	Bidders' name	Points scored (100%)	Remark
1	Yohannes Abbay Consulting Architects and Engineers	74.55	Responsive
2	Habtamu International Consulting Architects and Engineers PLC	85.92	Responsive
3	GENCON Engineering Share Company	68.15	Non-responsive
4	Acute Engineering PLC	62.62	Non-responsive

Through the same letter, the responsive bidders were requested to participate on financial proposals opening session which would be held on October 16, 2013 @10:00am at ASTU, purchase and property administration directorate director office.

Having approved the technical evaluation report by responsible body and disclosed the result to all bidders, the purchase and property administration directorate has opened the financial proposals of all technically responsive bidders and requested the engineering service coordination (ESU) for assistance in evaluating the financial proposals and reporting the final result to it. Accordingly, the ESU referred the request and bidders' bid documents to the Technical Committee (TC) to carry out detail financial analysis and combined technical/financial evaluations of the proposals. Based on this, the committee did the evaluations and comparisons of the bid offers in accordance with the evaluation criteria set in the bidding document.

Table 5: Financial evaluation result

No	Bidders' name	Evaluation prices (without VAT)	Financial scores
1	Habtamu International Consulting Architects and Engineers PLC	1,987,000.00	100
2	Yohannes Abbay Consulting Architects and Engineers	2,755,350.00	72.11

The combined technical and financial result of each bidder was determined by adding together its weighted technical and financial results. The bidder scoring the highest point in the total sum of the technical and financial evaluation is selected as the most successful bidder and is recommended for award of the contract. Table below shows summary of the combined technical and financial evaluation results of the bidders.

Table 6: summary of combined technical and financial evaluation result

No	Bidders' name	Technical Evaluation Result		Financial Evaluation Result		Combined Evaluation Result	
		technical score	Weighted technical	financial score	Weighted financial	Total score	Rank

		(100%)	score (80%)	(100%)	score (20%)	(100%)	
1	Habtamu International Consulting Architects and Engineers PLC	85.92	68.74	100	20	88.74	1
2	Yohannes Abbay Consulting Architects and Engineers	74.55	59.64	72.11	14.42	74.06	2

Based on the examinations carried out on technical and financial offers of the bidders to select the most responsive one, Habtamu International Consulting Architects and Engineers PLC had been found scored the highest total sum 88.74 points. Hence, the TC unanimously recommended the same for the award of the contract for provision of construction supervision and contract administration consultancy services for a total contract price of 2,285,050.00 ETB inclusive of 15% VAT.

Consequent to the TC's award recommendation, the Vice president for Administration thru a letter (Notification of Evaluation Result of Your Bid Offers) notified the bid evaluation result and declared that Habtamu International Consulting Architects and Engineers PLC On 08/11/2013.

On 22/11/2013, the Vice president for Administration thru a letter (Notification of award of contract) notified Habtamu International Consulting Architects and Engineers PLC that its bid for the "consultancy services for construction supervision and contract administration of one block of Dormitory and one block of OPD Hospital at Asella campus, one block of Dining Hall, one block of Multi-purpose hall and one block of central administrative buildings at main campus" had been found the most responsive and the contract for the project was awarded to your firm for a total contract price of ETB 2,285,050.00 with 15% VAT. Accordingly, the consultant was requested to furnish letter of acceptance, contract security in the form of performance bond equivalent to 10% of the total contract price and revised work schedule within seven days as of the receipt of this letter of award. Moreover, the consultant was requested to avail himself to the university's president office on November 25/2013 to sign the contract agreement.

4.1.2 Verification of the disclosed procurement information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the procurement process of Service Contract II (Consultancy Services for Construction Supervision and Contract Administration for Multipurpose Hall (MPH) & other projects) are ITB & Bid document for open tender, Financial and combined technical and financial evaluation report evaluation report (October 30, 2013) , and Letter of Acceptance. The PE has failed to make available a separate document showing the detailed technical evaluation process.

It is noted that the no information variance has been observed between the disclosed and the verified ones.

4.1.3 Analysis of the disclosed procurement information

In line to the principles of procurement enshrined in the proclamation, public bodies are required to create an environment conducive enough to enable competition among the bidders to take place on the basis of complete, neutral and objective terms.

In a bid to structure the analysis and interpret the findings on objective basis, the AP has compiled various compliance requirements stated in the procurement proclamation/directive so as to prepare the under-tabulated evaluation framework upon which the interpretations are made.

Table 7: A framework for procurement process evaluation

Principles of Public Procurement	Narration of evaluation basis
Ensure value for money (VfM)	The PE's effort to ensure economy, efficiency and effectiveness in the use of public fund for procurement
Non-discrimination among candidates	• <u>Compliance with rules of advertisement</u> - Medium: The bid advertisement shall be published in a news paper that has wide circulation and disclose to the public by posting it on the Agency's website at the same time of publication of its bid advertisement in a news paper, any procurement the value of which is above the threshold stated in article 6(5) of this Directive. - Language: The language in which bid advertisement and a bidding document are prepared, and the language in which bid proceedings are conducted shall be as provided in the Proclamation and directive. - Content of the invitation to bid: Whether the publication of an invitation to bid contains the information requirements stated in the Proclamation and directive. - Floating period of bids - The time allowed for preparation of bids shall not be less than the minimum number of days stated in the procurement directives. • <u>Compliance with rules of participation</u> - The fairness/reasonableness of the criteria (evaluation and award criteria) applied in making procurement decisions fairness, - Fairness in procurement packaging - unless the interest of the Public Body requires otherwise, the same supplier or suppliers shall not be selected repeatedly, so that other suppliers in the suppliers list may have the opportunity of competition to sale to the Public Body.
Transparency	Transparency can be evaluated in light of - whether a complete and clear tender document (including procurement decision criteria) is prepared, and - decisions taken on each procurement stages must be made transparent to all concerned parties/ notification of bid evaluation results to all at the same time.

4.1.3.1 Compliance of the procurement process with the rules of advertisement

The invitation to bid was published in a news paper that has wide circulation and the language in which bid advertisement and a bidding document are prepared, as well as the language in which bid proceedings are conducted complies with the provisions in the Proclamation and directive. Moreover, the publication of an invitation to bid contains the information requirements stated in the Proclamation and directive.

Article 16.9.2 of the Procurement Directive stipulates that “*the floating period that a Public Body has to set the deadline for bid submission shouldn’t be less than the minimum date stated in Annex 3 of the directive*”. To this end, the minimum floating period for the consultancy service should be 30 days. Thus, the floating period that the PE set for the preparation of bid (16 days) was not sufficient for bidders to prepare responsive bids, to gather information, to analyze the information, and to fulfil other pre-conditions to participate in the bid.

Except the insufficiency of the time given for the preparation of bids, hence, the overall procurement process complies with the rules of advertisement.

4.1.3.2 Efficiency of the procurement process (Timeliness)

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 8 and 9, respectively.

Table 8: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids	6-Apr-13
B	Deadline for submission of bid	22-Apr-13
C	Notification of Technical Evaluation Result	11-Oct-13 (Friday)
D	Opening of Financial Proposal	16-Oct-13 (Wednesday)
E	Notification of Bid Evaluation Result	8-Nov-13
F	Notification of award of contract	22-Nov-13
G	Signing of a contract agreement for the service	25-Nov-13

Table 9: Analysis of the Procurement Process

Description of Variables	Duration (days)
Bid Preparation Period – [B-A]	16
Technical Evaluation Period – [C-B]	171
Technical Evaluation Result Disclosure Period – [D-C-1]	4
Combined Evaluation Period – [E-D]	22
Contract Agreement Period – [G-F]	3
Consultancy Service Procurement Period – [G-A]	232

Findings and Identified issues of concern regarding Procurement Stage

- Both the Procurement Proclamation and Directive stipulate that “*any procuring entity must comply among others with the principle that supports the country’s economic development by ensuring economy, efficiency and effectiveness in the execution of public procurement*”. In light of this, the time input that the PE utilized for the procurement of the consultancy service does not ensure the required efficiency in the execution of public procurement.
- The procurement directive prescribes that “*A Public Body may open the envelopes containing the financial proposals after 5 working days from the date of notification of the result of the technical evaluation to the bidders*”. In contrary to this, the PE opened the financial proposals (on 16/10/2013, Wednesday) after 2 working days from the date of notification of the technical evaluation result (on 11/10/2013, Friday) thus revealing incompliance to the procurement directive.
- The successful bidder had signed a contract with the Public Body within 15 days of notification of award.

4.1.3.3 Fairness of the procurement rules on participation

The following two (2) factors are considered to assess the compliance of tender process with rules of participation:

a) Objectivity of the tender evaluation and award criteria

The PE has employed Selection based on Quality and Cost for selecting the best responsive bidders. Both the Procurement directive/SBD - Consultancy Service specify that public bodies shall use the criteria and percentage points shown in table 10 below while evaluating and comparing technical proposals submitted by consultants in a bid for Procurement of consultancy service.

Table 10: Evaluation criteria and percentage points specified in procurement directive & SBD

#	Criteria (Procurement directive/SBD Consultancy Service)	Maximum Points
(1)	Experience of the consultant/ Specific experience of the Consultants relevant to the assignment	[5-10]
(2)	For method applied in doing the study or research/ Adequacy of the proposed methodology and work plan in responding to the Terms of Reference	[20-50]
(3)	competence of the key professional engaged in the consultancy service/ Qualifications and competence of the key professional staff engaged in the consultancy service	[30-60]
(4)	Ability to transfer of knowledge/ Suitability of the transfer of knowledge (training) program	[5-10]
(5)	For participation of Ethiopians/ Participation by Ethiopians among proposed key staff	[5-10]
Total Points		100

Moreover, with regard to criteria 3 (Qualifications and competence of the key professional staff engaged in the consultancy service) above, the SBD specifies that “*the number of points to be*

assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights: General qualifications (20-30%), Adequacy for the assignment (50-60%), and Experience in region and language (10-20%)".

Despite these the PE, as shown in Table 3 of *section 4.1.1* above, has adopted

- Firm's relevant experience (20) which is made of two sub-criteria - provision of letter of recommendation for successful accomplishment of the assignment from pertinent client (10%) and Provision of ISO 9/2003 certification (10%), and
- General qualification (44%) and Adequacy for the assignment (56%)

In light of the aforementioned discussions, hence, the PE is required to justify the reasonableness of the criteria (evaluation and award criteria) it applied in making the procurement decision.

b) Fairness in procurement packaging

Taking the project sites into consideration, Service Contract II comprises two packages: Dormitory and OPD Hospital at *Asella* city; and Dining Hall, Multi-purpose hall and central administrative buildings at *Adama* city.

Sub-article 9/3 of the procurement directives stipulates that " *Public bodies have to organize their procurement needs in packages based on procurement needs data collected from end users and market price survey, and taking into consideration among others the following point -Organize the procurement in such a way as to open up opportunity for as many local producers as possible to participate in the procurement*". To this respect, the PE shall adequately justify the reasons for not organizing the procurement of the consultancy services in such a way that other suppliers in the suppliers list may have the opportunity of competition to sale their services.

4.1.3.4 Transparency of the tender evaluation process

In the course of the procurement process of service contract II, the PE has prepared a complete and clear tender document (including procurement decision criteria). Moreover, the decisions taken on each procurement stages have been made transparent to all concerned parties. Hence, the tender evaluation process can be assessed to be transparent.

4.1.3.5 Competitiveness of the award price

Both the procurement proclamation and directive stipulate that any public entity must among others ensure economy in the execution of public procurement. Despite this, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.

4.2 Disclosure of contract information

4.2.1 Overview of the contract

a) Main Contract

Consequent to the procurement process stated in *section 4.1.1* above, ASTU and Habtamu International Consulting Architects and Engineers PLC concluded a Consultancy Service Agreement on Nov 25, 2013. With regard to securing the proper execution of all the Consultant's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Service the Contract, the Consultant has provided a performance security amounting to ten (10%) of the total contract price within the stipulated time frame.

The original contract periods and prices for the completion of the consultancy services are shown in table 11 and 12, respectively.

Table 11: Original contract periods

Project works	Completion period (as of the commencement dates the respective work contracts)
Dormitory building (at Asela)	8 months
Dining hall building (at Adama)	8 months
OPD building (at Asela)	18 months
MPH building (Adama campus)	12 months
Central administration building (Adama campus)	12 months

Table 12: Breakdown of main contract agreement

Broader components of main contract agreement	Amount (ETB)
Fees for Resident supervision for dormitory and dining hall projects	592,000.00
Fees for Resident supervision for MPH and central administration projects	852,000.00
Fees for Resident supervision for OPD projects	522,000.00
Reimbursable (monthly)	21,000.00
Total	1,987,000.00
Total with 15% VAT	2,285,050.00

With regard to the performance of the contract, as of May 25, 2017 the consultant was paid a sum of 2,026,500.00 w/o VAT.

b) Supplementary contract

The supplementary agreement 1 for MPH and other buildings Contract Administration and construction supervision consultancy service was concluded on April 21, 2017. In the Supplementary agreement, the parties have agreed to vary the time clause of the original

agreement clauses so as to reduce the volume of the assignment under the contract and adjust the contract price for the contract time and volume of the services.

Table 13: Breakdown of contracts

Contract	Amount (ETB)
Main contract	1,987,000.00
Supplementary contract 1	496,750.00
VAT (15%)	372,562.50
Total	2,856,312.50

4.2.2 Verification of the disclosed contract information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The PE has disclosed the main and supplementary contract documents "Contract Agreement between ASTU and Habtamu International Consulting Architects & Engineers for the *Consultancy Services for Construction Supervision and Contract Administration for Multipurpose Hall (MPH) & other projects* the Consultancy Services" and a letter dated on May 25, 2017 enclosing approved consultancy payment certificate. In general, no major information variance has been observed..

4.2.3 Analysis of the disclosed contract information

The analysis of the disclosed contract information and the consequent interpretation in terms of the changes and justifications of changes observed in connection to contract price, duration and scope are presented hereunder.

4.2.3.1 Issues related to contract Price

The monthly reimbursable amount shown in table 12 above should have been multiplied by the number of months so as to compute the financial offer thus calling for further explanation by the PE.

The original Contract Price for the service was ETB 2,285,050.00 inclusive of 15% VAT. The disclosed documents have not adequately justified the reasons for the significant changes observed with regard to contract price of the consultancy service.

4.2.3.2 Issues related to contract duration

The original contract period and completion date of the consulting service were 12 months and Nov 25, 2014, respectively. The intended completion date was later revised to Dec 30, 2017 in the supplementary agreement.

The disclosed documents have not adequately justified the reasons for the significant changes observed with regard to programme of the consultancy service.

4.2.3.3 Issues related to contract scope

With regard to the MPH building, the disclosed documents have revealed that no significant changes have been made with regard to scope of the consultancy service.

5. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 3

5.1 Disclosure of procurement information

5.1.1 Overview of the procurement process

The Procuring Entity has procured the Construction Work for one block of Multi-conference hall building project using International Competitive Bidding (ICB) Procedures. The invitation to bid was published once in an Ethiopian herald newspaper on Feb.04, 2013 (12/06/2005EC) that has nationwide circulation to ensure participation of as many bidders as possible. The ITB had among others specified the following information and requirements:

- All bids must be accompanied a bid security of ETB 500,000.00 or equivalent amount,
- The deadline for submission of bid is on or before the first regular working day after 35 days starting from the first date of the official announcement of this bid on the Ethiopian herald and/or Addis Zemen newspaper.
- Bid shall have a validity period of 120 calendar days starting from the bid opening date and pursuant to ITB 16.2 the bid security submitted by bidders shall remain valid for 28days beyond the expiry of the bid validity period.

In response to the invitation, five bidders submitted their bid offers among the many bidders that bought the bidding document. Based on the procedures set out in the bidding document, the technical bids of the bidders were opened in the presence of concerned offices and representatives of the bidders. Following this, a technical committee consisting of five members was established on 15/08/2005EC to carryout detail evaluation of technical proposals and to identify bidders that are responsive to the requirements of the bidding document to pass to financial competition.

Accordingly, the committee has carried out detail examinations of the technical offers of the bidders in accordance with the evaluation and qualification criteria spelled out in the bidding document. The result of the analysis indicated that two bidders have passed to next evaluation stage for further analysis whereas two bidders failed to meet the minimum criteria that must be fulfilled to pass to financial evaluation stage and one bidder failed to comply with the criteria subjected to complete rejection.

In a letter dated on 13/06/2013 the technical evaluation committee submitted the bid evaluation report (Technical Evaluation report for construction of MPH at Adama Campus) to V/president for administration for further verification and approval.

On 19/09/13, the V/president for administration had notified the technical evaluation result shown in table 14 below to the bidders. Through the same letter, the responsive bidders were notified to participate on the financial proposals opening session which would be conducted on

23/09/2013 @ 10.00 AM at ASTU, purchasing and property administration directorate director office.

Table 14: Technical evaluation results

S/n	Bidders' name	Code	Point scored (%)	Rank	Responsiveness/Non-responsiveness	Remark
1	Tewodros Abera Building Contractor	A	70.9	2	R	
2	Afro-Tsion Construction PLC	B	87.9	1	R	
3	Koracon Construction PLC	C	57.09	3	NR+	
4	Bereket Endashaw BC	D	38.87	4	NR+	
5	Teklebrhan Ambaye Construction PLC	E	-	-	-	Rejected*

*: according to section 3-evaluation and qualification criteria Note (advice to all bidders), sub(b) priority of the projects had to be mentioned. However, bidder who fails to comply with the criteria is subjected to complete rejection.

+: Bidders scoring below the minimum qualifying score of 70 points have been rejected from further competition in the bid.

Having approved the technical evaluation report by responsible body and disclosed the result to all bidders, the PPAD had opened financial proposals of all technically responsive bidders and requested the ESC for assistance in evaluating the financial proposals and reporting the final result to it. Accordingly the ESC referred the request and bidders' bid documents to the technical committee to carryout detail financial analysis and combined evaluations of the proposals on 13/01/2006EC. Following this, the committee carried out the evaluations and comparisons of the bid offers in accordance with the evaluation criteria set in the bidding document.

Table 15: financial evaluation results

S/n	Bidders' name	Readout prices w/o VAT (ETB)	Adjustments	Evaluated prices w/o VAT (ETB)	Financial scores	Rank
1	Afro-Tsion Construction PLC	115,882,917.00	-	115,882,917.00	93	2
2	Tewodros Abera Building Contractor	107,461,880.68	329,027.88	107,790,908.56	100	1

As stipulated in the bidding document, 0.6 and 0.4 weights are allocated to technical and financial offers, respectively, for computation of the global point. The combined technical and financial result of each bidder is then determined by adding together its weighted technical and financial results. The bidder scoring the highest point in the total sum of the technical and financial evaluation is selected as the most successful bidder and its recommended for award.

Table 16: summary of combined technical and financial evaluation result

S/n	Bidders' name	Technical results		Financial results		Combined result	
		(100)	(60)	(100)	(40)	(100)	Rank
1	Afro-Tsion Construction PLC	87.9	52.74	93	37.21	89.95	1
2	Tewodros Abera Building Contractor	70.9	42.54	100	40	82.540	2

Based on the examinations and comparisons carried out on technical and financial offers of the bidders to select the most responsive one, Afro-Tsion Construction PLC scored the highest total sum 89.95. Hence, the evaluation committee unanimously recommended (on 21/10/2013) Afro-Tsion Construction PLC for the award of the contract for the construction of MPH building at the main campus for a total contract price of 133,265,354.55 ETB including 15% VAT.

5.1.2 Verification of the disclosed procurement information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the procurement process of the work contract are ITB & Bid document for open tender, Technical and combined technical and financial evaluation reports.

It is noted that the no information variance has been observed between the disclosed and the verified ones.

5.1.3 Analysis of the disclosed procurement information

5.1.3.1 Compliance of the procurement process with the rules of advertisement

The overall procurement process (in terms of medium of advertisement, language in which bid advertisement and a bidding document are prepared, as well as the language in which bid proceedings are conducted, content and floating period) complies with the rules of advertisement.

5.1.3.2 Efficiency of the procurement process (Timeliness)

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 17 and 18, respectively.

Table 17: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids	4-Feb-13
B	Deadline for submission of bid/Bid opening date	11-Mar-13
C	Establishment of TEC	23-Apr-13
D	TEC submitted the result for approval	13-Jun-13
E	Notification of Technical Evaluation Result	19-Sep-13

F	Opening of Financial Proposal	23-Sep-13
G	TEC requested to conduct the combined evaluation	23-Sep-13
H	Award recommendation by TEC	21-Oct-13
I	Contract signing date	15-Jan-14

Table 18: Analysis of the Procurement Process

Description of Variables	Duration (days)
Bid Floating period – [B-A]	35
Technical Evaluation Period – [E-C]	148
Combined Evaluation Period – [H-F]	27
Contract Award Process – [I-H]	83
Work Procurement Period – [I-A]	344

Findings and Identified issues of concern regarding Procurement Stage

- Both the Procurement Proclamation and Directive stipulate that “*any procuring entity must comply among others with the principle that supports the country’s economic development by ensuring economy, efficiency and effectiveness in the execution of public procurement*”. In light of this, the time input that the PE utilized for the procurement of the work does not ensure the required efficiency in the execution of public procurement.

5.1.3.3 Fairness of the procurement rules on participation

The objectivity of the tender evaluation and award criteria is considered to assess the compliance of tender process with rules of participation.

a) Approach in determining the successful bid

The review of the evaluation procedure described in the bid document reveals that the PE had chosen approach (B) of SDB in determining the Successful Bid which states that “*The Bid that is found to be substantially responsive to the professional, technical, and financial qualification requirements, technically compliant in relation to the technical specifications, and with the lowest evaluated bid. The lowest evaluated Bid shall be the bid offering better economic advantage ascertained on the basis of factors affecting the economic value of the bid*”.

Article 16.8.3 (b) of the federal procurement directive stipulates that the public body who desires to use the above selection criteria shall make sure whether a value offered by a bidder in addition to the minimum requirement would bring extra benefit to the Public Body, and whether the extra benefit, if any, is significant. Despite these, the documents that the PE availed do not justify the reasons why it was necessary to allocate 0.6 and 0.4 weights to the technical and financial offers, respectively.

b) Rejection criteria

Section 3 (evaluation and qualification criteria) of the tender document states among others that “*Priority of the projects had to be mentioned. However, bidder who fails to comply with the criteria is subjected to complete rejection.*” The AP has found it the objectivity of this criteria and hence calls for the PE's justification about its reasonableness as well as legal source.

5.1.3.4 Transparency of the tender evaluation process

In the course of the procurement process of the work contract, the PE has prepared a complete and clear tender document (including procurement decision criteria). Moreover, the decisions taken on each procurement stages have been made transparent to all concerned parties. Hence, the tender evaluation process can be assessed to be transparent.

5.1.3.5 Competitiveness of the award price

Both the procurement proclamation and directive stipulate that any public entity must among others ensure economy in the execution of public procurement. Despite this, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.

5.2 Disclosure of contract information

5.2.1 Overview of the contract

Following the Employer's acceptance of the Contractor's offer, a contract agreement for the work "Construction Works of Multipurpose Hall Building at ASTU's Adama Campus" was concluded on January 15, 2014 between ASTU and Afro-Tsion Construction PLC. With regard to securing the proper execution of all the Contractor's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Works, the Contractor has provided a performance security amounting ETB 13,326,535.45 from Nib Insurance Company dated on January 14, 2014. It is stated in the performance bond that the obligation shall be null and void otherwise it shall remain in force and virtue for a period of 730 calendar days plus 365 days of defect liability period effective from 15/01/2014.

It is also noted that under the special conditions of contract (GCC clause reference 1.1), the engineer is to be nominated later, start date shall be 10 days after signing and carrying out site possession.

It is commendable to note that in SCC GCC 9.1 the schedule of Key Personnel is part of the contract. However, for

- i. Unskilled and semi-skilled labour: Only Ethiopian nationals shall be employed as unskilled labour, and Only Ethiopian nationals shall be employed as semi-skilled labour unless the contractor can demonstrate that no suitably trained Ethiopian nationals are available,
- ii. Rates of wages and conditions of labour: The contractor shall pay rates of wages and observe employment conditions not less than those established work is being carried out. In the absence of any established rates or conditions in the locality, the contractor shall follow those by other employers for similar trades and industries.

The scope of the work includes the supply of materials, equipment and labour for the construction of one block of multi-purpose hall consisting of substructure and superstructure works including various electro-mechanical works. The original period of construction was 12 months including 10 days of mobilization period while the intended completion date was on

January 26, 2015 (as the actual date of commencement was on January 27/2014). The Original Contract Price for the work amounts to ETB 133,265,354.55 ETB including 15% VAT.

As of May 15, 2018, 429.6% of the contract period (1568 days) has been elapsed and the total value of work executed amounts 96,130,755.79 ETB without VAT. It is to be noted that no amount was paid to the contractor as an adjustment for price escalation of major construction inputs.

Table 19: Total value of work executed as of May 11, 2018

	Amount (ETB)	%
Variation Order (VO1)	22,931,608.93	
VO2	3,892,838.17	
VO3	7,349,454.56	
Variation work - Total	34,173,901.66	35.5%
Works less variation	61,956,854.13	64.5%
Total value of work executed	96,130,755.79	100.0%

The documents availed state that the variations were given to avoid inadequacy of the design and reconcile the discrepancy between drawing and BOQ of the contract document; and effectively and efficiently manage the project contract after service contract reinstatement so that the project work will be completed and the building under consideration shall be completed and fully serve the intended purpose.

Table 20: List of project changes - variation orders

Descriptions	Variation order #		
	1	2	3
Major parts in which variation works were given	Additions (Block works, roofing, metal works, steel structure, finishing works, Electrical installation, Sanitary installation and site works)	Additions and omissions (Carpentry and Joinery, metal works, steel structures, mechanical and electrical works); Omissions (Roofing, finishing and site works)	Additions (Roofing, Steel structures, Finishing works, Electrical installation and Site works) Additions and omissions (Carpentry and Joinery, and Metal works)
Reasons/ Justifications for variation	- Some of the work items described above are missed work items resulted from the inadequacy and incompleteness of the design and specifications; the mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ; - Consultant's contractual default in handling and administering the project ; - Alteration of sub-standard materials for some work items under the variation works, and - Absence of some materials/equipments readily available on the local market	- Some of the work items described above are missed work items resulted from the inadequacy and incompleteness of the design and specifications; the mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ; the interest of ASTU; under-estimated quantity, and unforeseen site conditions. - Consultant's contractual default in handling and administering the project; - Alteration of sub-standard materials for some work items under the variation works, and - Absence of some materials/equipments readily available on the local market	- Those addition work items to the main contract as a result of: omission in the original design; unforeseen conditions; client's mind change; mismatch between drawings- BOQ and drawings-specification; inadequacy of the design works and alteration/updating of some finishing materials, etc. Hence, inclusion of those missed work items and reconciling of discrepancies in the documents under the contract as variation was mandatory for completeness and proper functionality of the building under consideration; and - The work items described under omission are resulted from undesirability of some work items that were unnecessarily incorporated in the contract which do not significantly affect the functionality of the facility under the contract;
Status of variation	On 02/02/2016, the consultant- Habtamu International Consulting Architects and Engineers PLC (in collaboration with the contractor) submitted to ASTU the revised BOQ and cost breakdowns and later the project office evaluated the proposed rates and submitted its recommendation to the concerned body. Consequent to this, the Administration council of ASTU endorsed	On 02/02/2016, the consultant- Habtamu International Consulting Architects and Engineers PLC (in collaboration with the contractor) submitted to ASTU the revised BOQ and cost breakdowns and later the project office evaluated the proposed rates and submitted its recommendation to the concerned body. Consequent to this, the Administration council of ASTU endorsed the unit rates for variation works	In response to the consultant's (named ASPIRE AECOM Architectural and Engineering PLC) proposal, ASTU notified the consultant about the approved VO #3 & requested the same for issuance of Engineer's order on 21/02/2018.

	the unit rates for variation works and ASTU notified the consultant about VO #1 & approved unit rates on 04/04/2016 and 01/06/2016 respectively.	and ASTU notified the consultant about VO #2 & approved unit rates on 11/11/2016 and 02/12/2016, respectively.	
Effect on contract price	An overall cost increment of ETB 39,940,442.09 (29.97% increase in the ICP) making the adjusted contract price 173,205,796.64	A 14% net reduction (24,254,536.55ETB) in the previously adjusted contract price making the adjusted contract price ETB 148,951,260.09	The net value of this variation works account for 12.71% of the original contract price. The overall variation to this stage was 24.48% of the original contract price. The total contract price adjusted for this and previous variations is ETB 165,893,918.05 including 15% VAT.
Effect on programme / time	Though it is stated that " <i>The time granted for execution of variation works to be specified later on via official letter within 20 calendar days as of the official notification and receipt of this variation order</i> ", no official letter notifying the additional time granted has been made available.	Though it is stated that " <i>The intended completion date for execution of the whole project works including the variation works is to be determined and notified to both contractor and consultant based on delay justification EOT proposal expected from the consultant</i> ", no official letter notifying the additional time granted has been made available.	Following the critical delay of this contract, it was amicably agreed upon by the three parties in the meeting minute's document No. HI/OF/426 dated on 05/06/2017, that the expected intended completion date was prolonged/extended up to June 30/207 for the initial contract/ however, the time guaranteed for the execution of this variation work is two and half months starting from the date of issuance of this variation. Accordingly, the intended revised completion date is May 31/2018 including all variations and the works under the prime contract in addition to provisional acceptance.
Variation approval process	In compliance to the provisions stipulated in the procurement regulation/directive and contract including the obtaining of permission/consent of the Public Procurement and Property Administration Agency via letter dated on 06/11/2008 (in response to ASTU's request dated on 20/10/2008 EC)		

Table 21: Original contract, Additions and Omissions

	Description	Amount		VO1 (Additions)		VO2			VO3			Revised Contract	Executed
		Contract	Executed	Contract	Executed	Additions	Omissions	Executed	Additions	Omissions	Executed		
A	Sub-Structure												
1	Excavation and Earthworks	6,605,639.00	8,165,901.04									6,605,639.00	8,165,901.04
2	Concrete works	6,487,537.00	7,403,478.99									6,487,537.00	7,403,478.99
3	Masonry works	503,883.00	1,383,748.55									503,883.00	1,383,748.55
	Sub-total A	13,597,059.00	16,953,128.58									13,597,059.00	16,953,128.58
B	Super-Structure											-	-
1	Concrete works	12,368,130.00	24,965,417.38	-		-	-					12,368,130.00	24,965,417.38
2	Block work	5,758,666.00	3,498,362.12	24,025.00		-	-					5,782,691.00	3,498,362.12
3	Roofing	1,865,717.00	1,002,217.20	1,811,752.00	1,448,543.50	-	1,079,400.00		390,526.40		219,885.74	2,988,595.40	2,670,646.44
4	Carpentry and Joinery	2,454,760.00	279,090.00	-		482,479.54	2,035,172.00		941,812.20	118,530.83		1,725,348.91	279,090.00
5	Metal works	8,673,189.00	4,588,257.01	7,211,949.08	8,553,829.85	247,351.13	4,021,869.00	247,350.71	6,675,611.36	5,989,507.47	372,170.98	12,796,724.10	13,761,608.55
6	Steel structures	2,852,451.00	227,031.13	7,515,203.00	5,876,229.86	614,740.28	271,074.30	614,740.28	58,604.00			10,769,923.98	6,718,001.27
7	Finishing works	20,407,497.00	4,713,497.64	6,769,692.23	3,240,905.68	-	908,750.00		8,789,342.87		6,757,397.84	35,057,782.10	14,711,801.16
8	Painting	1,855,839.00	1,458,467.69	-		-	-					1,855,839.00	1,458,467.69
9	Electrical installation	10,829,191.00	412,510.00	5,522,319.90	893,232.00	3,452,056.00	10,012,954.00	1,948,867.20	1,728,000.00			11,518,612.90	3,254,609.20
10	Sanitary installation	835,508.00		890,317.00		-	-					1,725,825.00	-
11	Mechanical works	16,554,175.00		-		10,832,741.00	16,554,175.00	1,081,879.98				10,832,741.00	1,081,879.98
12	Site works	17,830,735.00	3,858,875.37	4,985,561.00	2,918,868.04	-	1,836,875.00		2,256,887.31			23,236,308.31	6,777,743.41
													-
	Sub-total B	102,285,858.00	45,003,725.54	34,730,819.21	22,931,608.93	15,629,367.95	36,720,269.30	3,892,838.17	20,840,784.14	6,108,038.30	7,349,454.56	130,658,521.70	79,177,627.20
	Total (A+B)	115,882,917.00	61,956,854.12	34,730,819.21	22,931,608.93	15,629,367.95	36,720,269.30	3,892,838.17	20,840,784.14	6,108,038.30	7,349,454.56	144,255,580.70	96,130,755.78
	Total (A+B) with 15% VAT	133,265,354.55	71,250,382.24	39,940,442.09	26,371,350.27	17,973,773.14	42,228,309.70	4,476,763.90	23,966,901.76	7,024,244.05	8,451,872.74	165,893,917.81	110,550,369.15

5.2.2 Verification of the disclosed contract information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the work contract implementation process are Project Handover Form and Contract Agreement between ASTU and Afro Tsion Construction PLC, Latest progress report, Latest Interim Payment Certificate (Payment certificate No. 16), Latest Progress Report, and Claims and Variation Orders Variations (1-3).

The consulting firm stated in variation orders # 1 and # 2 is Habtamu International Consulting Architects and Engineers PLC while ASPIRE AECOM Architectural and Engineering PLC is the one stated in variation order # 3 and the progress report thus making it difficult to comprehend the change. Moreover, it is stated in the contract agreement that ASTU and Afro-Tsion Construction PLC concluded a contract agreement on January 15, 2014 while the performance bond furnished by NIB Insurance made a statement as *"the contractor has entered into a certain contract in writing with the employer dated 30-12-13 relating to the construction of one block- MP conference hall at main campus"*.

Except these, it is noted that no other information variance has been observed between the disclosed and the verified ones.

5.2.3 Analysis of the disclosed contract information

5.2.3.1 Issues related to contract Price

As of February 21, 2008 the overall changes to the original contract price was 24.48%. The total contract price adjusted for the last variation order and previous variations is ETB 165,893,918.05 including 15% VAT.

Table 22: Summary of variations effect on contract price

Initial contract price with 15% VAT	133,265,354.55
Net Variation amount with 15% VAT-VO1	39,940,442.09
Adjusted Contract Price with 15% VAT	173,205,796.64
Variation amount as %age of the ICP-VO1	29.97%
Net Variation amount with 15% VAT-VO2	(24,254,536.55)
Adjusted Contract Price with 15% VAT	148,951,260.09
Variation amount as %age of the ICP-VO2	11.8%
Net Variation amount with 15% VAT-VO3	16,942,657.72
Adjusted Contract Price with 15% VAT	165,893,917.81
Variation amount as %age of the ICP-VO3	24.48%

It is however noted that the variation approval processes were in compliance to the provisions stipulated in the procurement regulation/directive and contract including the obtaining of permission/consent of the Public Procurement and Property Administration Agency.

5.2.3.2 Issues related to contract duration

The original period of construction was 12 months including 10 days of mobilization period while the intended completion date was on January 24, 2015. It is noteworthy that the mobilization time given to the contractor is not sufficient enough so as to undertake among others pre-construction planning which is one of the key factors for project success.

As of May 31/2018 (intended revised completion date), 434% of the contract period (1584 days) had been elapsed thus showing a "behind schedule" condition with a time overrun of 334%.

5.2.3.3 Issues related to contract scope

As shown in tables 20 and 21, the project has undergone with the significant scope changes which are attributed to the following reasons explained in the availed documents:

- Missed work items resulted from the inadequacy and incompleteness of the design and specifications; the mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ; client's mind change; under-estimated quantity, and unforeseen site conditions.
- Consultant's contractual default in handling and administering the project,
- Alteration of sub-standard materials for some work items under the variation works, and
- Absence of some materials/equipments readily available on the local market

In a bid to adequately justify the significant scope changes, the PE shall clarify and make available additional documents in reference to the following issues:

- The added and omitted activities (incl. Materials),
- Items that correspond to client initiated changes,
- Provide further information about consultant's contractual default in handling and administering the project as well as the service contract reinstatement issue, and
- Activities affected by mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ.

6. CONCLUSION AND RECOMMENDATION

This chapter presents the end product of the assurance process comprising two separate sections: *section 6.1* concludes the informed judgments made within the broader context of the aims of the assurance undertakings while the highlights of the causes for concern upon which the PE shall provide clarifications and explanations as well as the list of additional project documents that the PE shall make available for further review are provided in *section 6.2*.

6.1 Conclusion

The Construction Sector Transparency Initiative (CoST) is a country- centered initiative to improve the value for money spent on public infrastructure by increasing transparency in the delivery of Government financed construction projects.

In its effort to streamlining disclosure, CoST-Ethiopia delivered trainings, mentorship and follow up disclosures which as a result have enabled Procuring Entities to disclose on the website of FPPAA. To this respect, Adama Science and Technology University (ASTU) has

disclosed information and availed project documents on the implementation process of an ongoing Construction of Multi-purpose hall in May 2018 which is made up of the following two (2) services and one (1) work contracts:

- i. SERVICE CONTRACT 1: Consultancy services for design and tender document preparation for Multipurpose Hall (MPH) & other projects design and related tasks,
- ii. SERVICE CONTRACT 2: Consultancy services for construction supervision and contract administration, and
- iii. WORK CONTRACT: Construction Works of Multi-purpose hall project.

CoST Ethiopia has employed an Assurance Professional to carry out the assurance process involving the verification, analysis and interpretation activities so as to make sure that the accuracy and completeness of the disclosed information as well as to highlight any cause for concern that analyzed information reveals mainly in terms of procurement compliance and contract performances.

The verification works carried out to validate the completeness and accuracy of the disclosed procurement and contract information have revealed that information variances are observed in relation to service contract II and work contract. Despite this, it is worthwhile noting that the wider time gap between the proactive disclosure and assurance period is a hindrance to make a reliable assessment on the accuracy of the disclosed information.

The incompleteness of the documents availed by the PE has deterred the Assurance Professional to make informed judgment on the procurement process of service contract I while the procurement processes of the other two contracts have shown incompliance to the applicable principles of public procurement.

Service contract I was completed without significant changes in contract price, contract duration and scope. Moreover, the disclosed documents have revealed that no significant changes have been made with regard to scope of service contract II related to the MPH building though the availed project documents have not adequately justified the reasons for the significant changes observed with regard to the overall contract price and duration of the consultancy service.

The performance of work contract is characterized by significant changes consisting 24.48% and 334% cost and time overruns, respectively. Moreover, the project has undergone with the significant scope changes attributed to various reasons which are not articulate enough to understand and substantiate the cause-effect relations categorically.

Heeding the above stated results of the Assurance Process undertaken on the information that ASTU has disclosed on MPH building project, the following section outlines the issues are recommended upon which the PE shall provide clarifications and explanations, and the list of additional project documents that the PE shall make available for further review.

6.2 Issues recommended for PE's clarification and further review

The following are highlights of causes for concern upon which the PE shall provide clarifications and explanations:

a) *Procurement process of service contract II*

- Insufficient floating period set for the preparation of bid,

Procuring Entity	Project	Page 26
Adama Science & Technology University	Construction of Multipurpose Hall	

- The opening of the envelopes containing the financial proposals earlier than the required disclosure period of technical evaluation results,
- The objectivity of the evaluation criteria (firm's relevant experience (20)) applied in making the procurement decision,
- The time input (232 days) for the procurement of the service does not ensure the required efficiency in the execution of public procurement.
- The packaging of the procurement needs in a way that doesn't widen the opportunity of competition for the other suppliers in the suppliers list to sale their services.
- The competitiveness of the award price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of public procurement.
- The monthly reimbursable amount(ETB 21,000.00) that formed the financial offer of the selected bidder should have been multiplied by the number of months/contract period so as to compute the financial offer thus calling for further explanation by the PE.

b) Procurement process of work contract

- Unjustified rejection criteria and approach applied in determining the successful bid,
- The time input (344 days) for the procurement of the work does not ensure the required efficiency in the execution of public procurement.
- No international firm participated though the bidding was ICB.
- The competitiveness of the award price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of public procurement.

c) Implementation process of Service Contract II

- The significant changes observed with regard to the overall contract price and duration of the consultancy service while no significant changes have been made with regard to scope of service contract II related to the MPH building.

d) Implementation process of work contract

- The justifications for the following contract conditions provided in the work contract:
 - GCC clause reference GCC 47.1 - The work contract is not subjected to price adjustment in accordance with clause 47 of the conditions of contract and the new procurement directive issued on *Sene 2, 2002 EC*.
 - It is also noted that under the special conditions of contract (GCC clause reference 1.1), The engineer is to be nominated later, start date shall be 10 days after signing and carrying out site possession.
- The project has undergone with the significant changes with regard to contract price (24.48% cost overrun), duration (334% time overrun) and scope which are attributed to the reasons explained in the availed documents. In a bid to adequately justify the significant scope changes, the PE shall provide clarification for the issues stated hereunder:
 - The added and omitted activities (incl. Materials),
 - Items that correspond to client initiated changes,

- Provide further information about consultant's contractual default in handling and administering the project as well as the service contract reinstatement issue, and
- Activities affected by mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ.

e) General

- In all procurement processes covered in the assurance process, it is observed only two firms had passed to the financial evaluation stages thus implying the award prices were decided with narrow scope of competition.
- The comments and verifications (including signature) of procurement endorsing committee are not shown in all the procurement documents made available

Moreover, the following are the list of additional project documents that the PE shall make available for further review:

- The letter thru which the Employer instructed the consultant to issue the necessary instruction to contractor and consultant's letter (ref. No. 6172/02/16 dated 19/02/2016) that recommends the profit and overhead margins for Grade 1 Contractor,
- The 5 pages (showing total cost of variation works) enclosed with the letter sent to PPA on 20/10/2008,
- Contract agreement document with ASPIRE AECOM Consulting Architects & Engineers PLC,
- Procurement documents related to service contract I (such as Invitation to bid, Tender Evaluation Report - Technical and Tender Evaluation Report, and Financial/combined),
- Technical Evaluation Report - Service Contract II, and
- Work Programme approved by the Engineer and subsequent updates - Work contract.

ANNEX

Annex 1: Filled Infrastructure Data Standard (IDS) disclosed by the PE (as of May 31st 2018)

Identification

Sector	Education
Location	Adama City
Purpose	For teaching and income Generation
Description	G+3 Building with a capacity of 3000 seats

Preparation

Scope	G+3 building			
Funding Sources	Government Budget			
Contracts	Supplier 1	Supplier 2	Supplier 3	Supplier 4
Contract Title	Construction Of MPH Building	Construction Of MPH Building	Design Consultancy Service for MPH	Supervision and Contract administration for MPH
Contract Type	Unit Price	Unit Price	Lumpsum	Unit Price
Procurement Type	Works	Works	Consultancy Services	Consultancy Services
Procurement Mode	ICB	ICB	NCB	NCB
Contract Status	2	2	2	2
Number of firms tendering	5	5	3	4
Contracting firm tin no	0002938848	0002938848	0004225565	0004225565
Contract Price	133,265,354 ETB	133,265,354 ETB	391,575 ETB	2,285,050 ETB
Description	Construction Of MPH Building	Construction Of MPH Building	Design Consultancy services for MPH	Supervision and Contract administration for MPH
Contract start date	25/01/2014	25/01/2014	30/06/2012	1/12/2013
Contract end date	30/06/2017	25/05/2017	30/10/2012	31/03/2017
Contract Duration	1250 Days	1215 Days	120 Days	1220 Days
Contract Extend Information	View 1	NIL	NIL	View 4
Completion	NIL	NIL	NIL	NIL

View 1 (Contract Extend Information)

Contract Start Date: 25/01/2014				
Contract extended to	Extension duration	Reason for extension	Change in price	Reason for change
30/06/2017	1250 days	due to reasons attributed to design change and issuance of variation works	-	-

View 4 (Contract Extend Information)

Contract Start Date: 01/12/2013				
Contract extended to	Extension duration	Reason for extension	Change in price	Reason for change
31/03/2017	1220 days	variation works and design change	-	-

Annex 2: List of disclosed documents

#	Stage	Documents to be disclosed	Documents Availability			Remarks
			Yes	No	Pages	
1	PROJECT IDENTIFICATION	Inception & feasibility study document for the university's academic and support facilities Implementation				
2	PREPARATION					
2.1	Funding sources/ budget authorization process	Project cost estimation/Inception Assumptions, etc	✓		47	Program budget plan & approved budget
		Budget approval process/ Project budget	✓		28	
2.2	Procurement strategy	Procurement plan				
2.3	Preliminary statutory requirements	Environmental and land impacts (?)				
3	PACKAGE DELIVERY - PROCUREMENT					
3.1	Tender Process					
a	Service Contract I- Consultancy Services for Multipurpose Hall (MPH)& other projects design and related tasks	Notice of Invitation for EoI	N/A			
		Expression of Interest (EOI) Assessment Report	N/A			
		Invitation to bid	✓		82	Bid document for open tender
		Tender Evaluation Report - Technical				
		Tender Evaluation Report - Financial/combined				
b	Service Contract II- Consultancy Services for Construction Supervision and Contract Administration for Multipurpose Hall (MPH)& other projects	Notice of Invitation for EoI	N/A			
		Expression of Interest (EOI) Assessment Report	N/A			
		Invitation to bid	✓		79+2	ITB & Bid document for open tender
		Tender Evaluation Report - Technical				
		Tender Evaluation Report - Financial/combined	✓		8	Evaluation report & Letter of Acceptance
c	Work Contract - Construction Of MPH Building	Notice of Invitation to bids	✓		119+3	ITB & Bid document
		Evaluation Reports	✓		80	Technical & financial evaluation reports
3.2	Contract Award					
a	Service Contract I- Consultancy Services for Multipurpose Hall (MPH)& other projects design and related tasks	Contract Agreement between ASTU and Habtamu International Consulting Architects & Engineers for the Consultancy Services (including Addendum to Main Agreement, if any)	✓		125	Main contract document
b	Service Contract II- Consultancy Services for Construction Supervision and Contract Administration for Multipurpose Hall (MPH)& other projects	Contract Agreement between ASTU and Habtamu International Consulting Architects & Engineers for the Consultancy Services (including Addendum to Main Agreement, if any)	✓		134+5	Main contract document and supplemental contract document
c	Work Contract	Project Handover Form and Contract Agreement between ASTU and Afro Tsion Construction PLC	✓		163	
4	PACKAGES DELIVERY - IMPLEMENTATION & COMPLETION					

#	Stage	Documents to be disclosed	Documents Availability			Remarks
			Yes	No	Pages	
a	Service contract I	Consultancy completion report/ Audit and evaluation reports, if any				
b	Service contract II	Consultancy completion report/ Audit and evaluation reports, if any				
c	Work contract II	Latest progress reports	✓		15	
		Project Evaluation/audit report (quarter/annual, if any)	✓			
		Work Programme approved by the Engineer and subsequent updates				
		Latest Interim Payment Certificate	✓		45	Payment certificate No. 16
		Latest Progress Report	✓		15	
		Design changes				
		Claims and Variation Orders	✓		79	Variations (1-3)
		Early Warning notices and Compensation Events				



Construction Sector Transparency Initiative (CoST- ETHIOPIA)

REVISED DRAFT REPORT

Quality Assurance of disclosed information on Research Park Building Project and disclosure of additional information

Procuring Entity: Adama Science and Technology University

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July 2018, Addis Abeba

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NOTICE

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While CoST-Ethiopia administers the assurance process, establishes working documents for guidance and gives feedback on the assurance report; it does not write the document and it does not independently test, evaluate, or verify the accuracy or completeness of any information or the soundness of any judgments contained in the assurance report.

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ACRONYMS/ ABBREVIATIONS

AP	- Assurance Professional
ASTU	- Adama Science and Technology University
CoST	- Construction Sector Transparency Initiative
EIA	- Environmental Impact Assessment
EOT	- Extension of Time
ETB	- Ethiopian Birr
FDRE	- Federal Democratic Republic of Ethiopia
FPPAA	- Federal Public Procurement and Property Administration Agency
ICB	- International Competitive Bidding
IDS	- Infrastructure Data Standard
NCB	- National Competitive Bidding
NMSGEC	- National Multi-Stakeholder Group Executive Committee
PE	- Procuring Entity
PLC	- Private Limited Company
QCBS	- Quality and Cost Based Selection
SBD	- Standard Bidding Document
TC	- Technical Committee
VAT	- Value Added Tax
VfM	- Value for Money
VO	- Variation Order

EXECUTIVE SUMMARY

The aim of Construction Sector Transparency Initiative (CoST) is to enhance transparency of Procuring Entities (PEs) and construction companies. It will do this by disclosing to the public ‘Material Project Information’ (MPI) at all stages of the construction project cycle, from the initial identification of the project to the final completion.

In its effort to streamlining disclosure, CoST-Ethiopia delivered trainings, mentorship and follow up disclosures which as a result have enabled Procuring Entities to disclose on the website of Federal Public Procurement and Property Administration Agency (FPPAA). To this respect, Adama Science and Technology University (ASTU) has disclosed information and availed project documents on the implementation process of an ongoing Construction of Research Park Building Complex in May 2018 which is made up of the following one (1) service and one (1) work contracts:

- 1) SERVICE CONTRACT : Consultancy services for detailed engineering design, construction supervision and contract administration of Research Park, and
- 2) WORK CONTRACT: Construction Works of Research Park Project.

The project aims to house key facilities for the University's information technology organization and central infrastructure as well as facilities to support technology transfer and economic development; to strengthen university- industry linkage as well as to serve as a valuable technology resource centre for both public and private research efforts. Having justified the implementation of the project, the government of FDRE has allocated sufficient budget on program budget basis to finance payments for the service and work contracts forming parts of the implementation of the project.

On the basis of National Competitive Bidding Procedure, the Procuring Entity had procured the Service Contract using “Open Tendering” and Quality and Cost Based Selection (QCBS) as a method of procurement and Evaluation Criteria. The invitation to Bid was published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. Despite this, the number of firms that purchased and collected the RFP document was not disclosed. Two (2) firms had submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals and both had passed to the next evaluation stage.

The Procurement of Work Contract on the other hand, had used International Competitive Bidding (ICB) Procedures and the evaluation of bids was conducted by a two stage procedure involving technical and financial bids evaluation. The invitation to bid was published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. In response to the invitation, four bidders submitted their bid offers among the many bidders that bought the bidding document and only two passed to the next evaluation stage.

ASTU and Yohannes Abay Consulting Architects and Engineers concluded a Consultancy Service Agreement on December 14, 2012. The contract for detailed engineering design, and construction supervision and contract administration is time based contract and the original contract price inclusive of a 15% VAT was 980,375.00 including 15% VAT while The original scope and period of services to be rendered by the Consultant were to undertake the following activities grouped in two phases:

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- i. Phase I: Site survey, Preparation of detailed engineering designs, specifications and bill of quantities and bidding documents, and the service shall commence within five (5) days of signing of contract and completed within a maximum of 3 months, and
- ii. Phase II: Supervision and contract administration of the construction of Research Park Building. The consultancy service is scheduled to be completed within 12 months of the construction period inclusive of one month for contract mobilization.

The supplemental agreement for time extension and contract price adjustment for consultancy service to carry out additional tasks of design modification/redesigning of research park project was concluded on April 17, 2017. The agreement is entered into based on the permission obtained from FPPAA in response to ASTU's request to maintain the continuation of the performance of the consultancy service contract within the threshold of the pertinent government procurement regulations.

Following the Employer's acceptance of the Contractor's offer on 11/07/2014, a contract agreement for the Construction of Research Park Buildings at ASTU's Main Campus was concluded on July 17, 2014 between ASTU and Tekleberhan Ambaye Construction PLC. The original period of construction was 750 Calendar days with additional 30 days of mobilization time while the original intended completion date was on Sept 05, 2016. The Original Contract Price for the work amounts to ETB 444,427,684.20 inclusive of 15% VAT

With regard to Project Identification, implementation of Service Contract and Work Contract that forms parts of the implementation of the project, the analysis of the disclosed documents have revealed the following facts:-

- Except the undesired impacts of the project, ASTU's disclosure provides clear information, among others, on the Project location, Project scope, Purpose of the project, Source of funding, Original project cost and duration. Thus, it is noted that the coverage and quality of disclosed information adequately reveals the project identification of Research Park building project.
- The methods and procedures of procurement that the Procuring Entity adopted in the procurement of service contract and work contract are in compliance with the Procurement Directive and regulations. However, the total time input for the procurement of the Work Contract was 466 days, thus implying the causes of concern on the procuring entity's effort in ensuring efficiency in the execution of public procurement.

The performance of the service contract in light of cost, time and scope performance indicators:-

- The original and revised Contract Prices inclusive of 15% VAT for the service were ETB 980,375.00 and ETB 3,063,676.67, respectively showing a cost overrun of 212.5%. The disclosed documents have adequately justified the reasons for the significant changes observed with regard to contract price of the consultancy service.
- The original contract period and completion date of the phase I of the consulting service were 3 months and March 19, 2013, respectively. The disclosed documents have revealed that Phase I of the consultancy service was completed without significant

changes while the intended completion date of the consultancy service was later revised to January 31, 2018 in response to ASTU's desire.

- It is note that the disclosed documents have adequately justified the reasons for the significant changes observed with regard to programme of the consultancy service. Despite this, the Procuring Entity should have allocated time sufficient enough to obtain the expertise of professionals to provide adequate planning and feasibility studies as well as design works.
- The consultant had delivered the Phase I of the consultancy services in conformance to the original agreement. However, due to client's initiated changes, the original scope of services had been changed. It can thus be said that the disclosed documents have adequately justified the reasons for the significant changes observed with regard to the scope of the consultancy service.

The performance of work contract in light of cost, time and scope performance indicators:-

- As of May 15, 2018 the overall changes to the original contract price was 5.01%. The total contract price adjusted for the variations is ETB 466,681,835.81 including 15% VAT.
- The original commencement and intended completion dates were on 16/08/2014 and September 05, 2016, respectively, which later were revised to be on March 09, 2015 and May 15, 2018, respectively. As of May 15' 2018, 194.5% of the original contract period(1459 days) had been elapsed thus showing a "behind schedule" condition.
- It is noteworthy that the mobilization time given to the contractor is not sufficient enough so as to undertake among others pre-construction planning which is one of the key factors for project success.
- The project has undergone with the significant scope changes which are attributed primarily to the reasons explained under the supplementary agreement of the service contract. Hence, it can be said that the project has undergone with significant scope changes which are adequately justified in the project documents made available by the PE.

Heeding the above stated results of Quality Assurance Process undertaken on the information that ASTU has disclosed on the Research Park Building Project, the following issues are recommended upon which the PE shall provide clarifications and explanations:

a) Procurement process of service contract

- The floating period that the PE set for the preparation of bid (16 days) was not sufficient for bidders to prepare responsive bids, to gather information, to analyze the information, and to fulfil other pre-conditions to participate in the bid. The shorter length of the floating period might have been a contributory factor for the lower number of bids' submission.
- It is apparent that the owner or facility sponsor holds the key to influence the construction costs, quality and delivery time of a project because any decision made at

the beginning stage of a project life cycle has far greater influence than those made at later stages. To this respect, the relatively smaller weightage given for the personnel engaged in phase I (design) as compared to phase II (construction supervision and contract administration) seems unjustifiable.

b) Procurement process of work contract

- The contractor submitted performance bond for an amount of 44,442,768.42 valid for 365 days plus 365 days of defect liability effective from 15/7/2014. Nonetheless, the performance bond should have remained in force and virtue for a period of 750 Calendar days plus 365 days of defect liability period effective from 15/07/2014.
- The procurement directive prescribes that "*A Public Body may open the envelopes containing the financial proposals after 5 working days from the date of notification of the result of the technical evaluation to the bidders*". In contrary to this, the PE opened the financial proposals after one working day from the date of notification of the technical evaluation result thus revealing incompliance to the procurement directive.
- Approach in determining the successful bid

The review of the evaluation procedure described in the bid document reveals that the PE had chosen approach (B) of SDB in determining the Successful Bid which states that "*The Bid that is found to be substantially responsive to the professional, technical, and financial qualification requirements, technically compliant in relation to the technical specifications, and with the lowest evaluated bid. The lowest evaluated Bid shall be the bid offering better economic advantage ascertained on the basis of factors affecting the economic value of the bid*".

Article 16.8.3 (b) of the federal procurement directive stipulates that the public body who desires to use the above selection criteria shall make sure whether a value offered by a bidder in addition to the minimum requirement would bring extra benefit to the Public Body, and whether the extra benefit, if any, is significant. Despite these, the documents that the PE availed do not justify the reasons why it was necessary to allocate 0.6 and 0.4 weights to the technical and financial offers, respectively.

- Both the procurement proclamation and directive stipulate that any public entity must among others ensure economy in the execution of public procurement. Despite this, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.

c) General

- In all procurement processes covered in the assurance process, it is observed only two firms had passed to the financial evaluation stages thus implying the award prices were decided with narrow scope of competition.
- The comments and verifications (including signature) of procurement endorsing committee are not shown in all the procurement documents made available

1. INTRODUCTION

1.1 Background

The Construction Sector Transparency Initiative (CoST) is a country- centred initiative to improve the value for money spent on public infrastructure by increasing transparency in the delivery of Government financed construction projects.

Strengthening transparency and accountability in public construction yields benefits both domestic and international. It curbs mismanagement, waste, and corruption and reduces risks to public safety from poor construction practices. It improves fairness in competition for contracts and can also increase the flow of foreign direct investment and development finance into a country's construction sector.

Disclosure of Infrastructure Data Standard (IDS) is one of the three essentials of CoST. Assurance of the disclosed information and demand for accountability (based on the disclosed information) are the other basics of the Initiative. Accordingly, CoST – Ethiopia had disclosed 52 projects since its establishment by employing Assurance Professionals though the disclosures should have been made by the Procuring Entities (PEs) themselves. The establishment of a system whereby the PEs disclose by themselves was primarily inhibited by the failure to bring the mainstreaming of the disclosure process to a satisfactory level.

The disclosure process to be sustainable, it requires mainstreaming. Towards this end, CoST – Ethiopia delivered rounds of training programs (backed with Mentorship and Follow-up of the Disclosure Process) to delegates (drawn from 24 public universities and 10 other federal institutions responsible for various public works in building, water and road subsectors) on the basics of CoST and Application of the website of Federal Public Procurement and Property Administration Agency (FPPAA) for the disclosure of Infrastructure Data Standard by the respective PE.

Following the above stated training, mentorship and follow up services; the PEs were expected to disclose the IDS of two (2) projects using the template posted on the website of FPPAA. To this respect, Adama Science and Technology University (ASTU) has disclosed information on the implementation process of an ongoing Construction of Multi-purpose hall and Research Park building Projects on the FPPAA website. Infrastructure Data Standard (IDS) that ASTU disclosed on the website of Federal Public Procurement and Property Administration Agency (FPPAA) is presented in Annex 1.

The National Multi-Stakeholder Group Executive Committee (NMSGEC) of CoST-Ethiopia has employed an Assurance Professional to undertake verification, analysis and interpretation activities so that the information released by ASTU is both accurate and available in a form that can easily be understood by stakeholders.

This draft report is prepared to describe the findings of the Assurance Process that has been undertaken on the disclosed information pertinent to Construction of Research Park buildings complex Project.

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1.2 Objectives of the assurance process

The Assurance Professional (AP) has been appointed to achieve the following core objectives of the assurance process:

1. To verify the accuracy and completeness of IDS disclosures by the PE,
2. To analyse disclosed and verified data in order to make informed judgements about the cost, time and scope aspects of the CoST Project, and
3. To produce a report that is clearly intelligible to the non-specialist, outlining the findings regarding the implementation process and highlighting any cause for concern that analysed information reveals on CoST Project.

1.3 Challenges of the assurance process

In the course of the assurance process, the procuring entity has been cooperative and it can be said that no major challenges has been faced except the failure to avail some project documents. Annex 2 summarizes the list of documents that the AP requested and availed by the PE.

2. DISCLOSURE OF PROJECT INFORMATION

It is apparent that the government of the Federal Democratic Republic of Ethiopia (FDRE) has considered the education sector as a cornerstone of the capacity building, poverty reduction and sustainable development. In addition to ensuring access to elementary education for all citizens, the government has been investing a huge outlay of public fund for the expansion of secondary and tertiary education throughout the country.

As part of its effort to fulfill the developmental objectives bestowed upon it, Adama Science and Technology University has been expanding its academic and support facilities through constructing various infrastructures and buildings including a Research Park Buildings Complex of which project information are summarized in table 1 below.

The implementation process of the Research Park Buildings Complex has involved various entities of which participations are ensured mainly through different contractual arrangements coined to serve the intended purposes. The following one (1) service and one (1) work contracts form parts of the implementation of the an ongoing Research Park Building Project:

- i. SERVICE CONTRACT: Consultancy Services for detailed engineering design, construction Supervision and Contract Administration of Research Park Building, and
- ii. WORK CONTRACT: Construction of Research Park Building Project.

Table 1: Overview of project identification

Project identification variable	Description
Project location	Within the premises of ASTU's main campus, Adama City
Project scope	The project encompasses a complex of building structures and ancillary facilities (Administration building with a meeting & Canteen spaces, Research building, Workshop & compound services, Gymnasium & Services, Guest house (3 blocks), Power & transformer house, Guard house (3 blocks) and Site work)
Purpose of the project	To house key facilities for the University's information technology organization and central infrastructure as well as facilities to support technology transfer and economic development; to strengthen university- industry linkage as well as to serve as a valuable technology resource centre for both public and private research efforts.
Undesired impacts of the project	It is difficult to make an informed judgment on the impacts of the project as the PE hasn't availed any document related to preliminary statutory requirements such as environmental impacts assessment study report.
Source of funding	The government FDRE
Original project cost	– Service contract - ETB 980,375.00 including 15% VAT – Work contract - ETB 444, 427,684.20 inclusive of 15% VAT. – Total - ETB 445,408,059.20 inclusive of 15% VAT.
Original project duration	– Service contract: ▪ Phase I - Design & Tender documents preparation: 3 months ▪ Phase II - Supervision & Contract Administration: 12 months – Work contract - 780 Calendar days including 30 days of mobilization period

3. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 1

3.1 Disclosure of procurement information

3.1.1 Overview of the procurement process

With the intent of procuring service contract - Consultancy Services for detailed engineering design, construction Supervision and Contract Administration of Research Park Building Complex; the PE had posted Invitation to Bid (ITB) inviting sealed bid from eligible bidders of category four and above on the Ethiopian Herald newspaper dated on 27/08/2012. The ITB had among others specified the following information and requirements:

- All bids must be accompanied a bid security of ETB 40,000.00 (in the form of CPO, cash or unconditional bank guarantee), and

- The deadline for submission of bid is on or before the first regular working day after fifteen (15) days starting from the first date of the official announcement of this bid on the Ethiopian herald or Addis Zemen newspaper.

In response to the invitation, two (2) consultants submitted their bid offers among the bidders that purchased and collected the RFP document. Based on the procedures set out in the RFP, the technical offers of the bidders were opened in the presence of concerned offices from ASTU and representatives of the bidders. Following this, a technical evaluation committee was established on 05/10/2012 to carry out the detail evaluation of the bidders' technical proposals. It is however to be noted that the PE has not availed a document revealing the technical evaluation process.

Table 2: Evaluation criteria extracted from the tender document

S/n	Criteria	Weight
1	Specific experience of the Bidder related to the assignment	10
2	Adequacy of the proposed work plan and methodology	25
3	Qualifications and competence of the key staff for the Assignment	60
3.1	For detailed engineering design (35%)	21
3.2	For construction supervision and contract administration (65%)	39
4	Suitability of the transfer of knowledge programme	5
Total Points		100

The financial proposals of technically responsive bidders was opened on 23/11/2012. Following this, the Technical Committee (TC) carried out detail financial analysis and combined technical/financial evaluations of the proposals. Based on this, the committee did the evaluations and comparisons of the bid offers in accordance with the evaluation criteria set in the bidding document and submitted the financial/combined Evaluation report on 27/11/2012

Table 3: Financial evaluation result

S/n	Bidders' name	Readout prices with VAT (ETB)	Adjustments	Evaluated prices with VAT (ETB)	Financial scores	Rank
1	Yohannes Abbey Consulting Architects & Engineers	980,375.00	-	980,375.00	81	2
2	Habtamu International Consulting Architects & Engineers PLC	742,325.00	51,175	793,500.00	100	1

The combined technical and financial result of each bidder was determined by adding together its weighted technical and financial results. The bidder scoring the highest point in the total sum of the technical and financial evaluation is selected as the most successful bidder and is recommended for award of the contract. Table below shows summary of the combined technical and financial evaluation results of the bidders.

Table 4: summary of combined technical and financial evaluation result

No	Bidders' name	Technical Evaluation Result		Financial Evaluation Result		Combined Evaluation Result	
		technical score (100%)	Weighted technical score (80%)	financial score (100%)	Weighted financial score (20%)	Total score (100%)	Rank
1	Habtamu International Consulting Architects and Engineers PLC	84.23	67.38	100	20	87.38	2
2	Yohannes Abbay Consulting Architects and Engineers	91.43	73.14	81	16.2	89.34	1

Based on the examinations carried out on technical and financial offers of the bidders to select the most responsive one, Yohannes Abbay Consulting Architects and Engineers had been found scored the highest total sum 89.34 points. Hence, the TC unanimously recommended the same for the award of the contract for provision of the consultancy services for a total contract price of ETB 980,375.00 including 15% VAT.

Consequent to the TC's award recommendation, the Vice president for Administration thru a letter (Notification of Evaluation Result of Your Bid Offers) notified the bid evaluation result and declared that Yohannes Abbay Consulting Architects and Engineers. Through the same letter, the consultant was requested to avail himself to the university's president office on 13/12/2012 to sign the contract agreement.

3.1.2 Verification of the disclosed procurement information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the procurement process of the Consultancy Services are ITB & Bid document for open tender, Financial and combined technical and financial evaluation report evaluation report, and Letter of Acceptance. The PE has failed to make available a separate document showing the detailed technical evaluation process.

It is noted that the no information variance has been observed between the disclosed and the verified ones.

3.1.3 Analysis of the disclosed procurement information

In line to the principles of procurement enshrined in the proclamation, public bodies are required to create an environment conducive enough to enable competition among the bidders to take place on the basis of complete, neutral and objective terms.

In a bid to structure the analysis and interpret the findings on objective basis, the AP has compiled various compliance requirements stated in the procurement proclamation/directive so as to prepare the under-tabulated evaluation framework upon which the interpretations are made.

Table 5: A framework for procurement process evaluation

Principles of Public Procurement	Narration of evaluation basis
Ensure value for money (VfM)	The PE's effort to ensure economy, efficiency and effectiveness in the use of public fund for procurement
Non-discrimination among candidates	• <u>Compliance with rules of advertisement</u> - Medium: The bid advertisement shall be published in a news paper that has wide circulation and disclose to the public by posting it on the Agency's website at the same time of publication of its bid advertisement in a news paper, any procurement the value of which is above the threshold stated in article 6(5) of this Directive. - Language: The language in which bid advertisement and a bidding document are prepared, and the language in which bid proceedings are conducted shall be as provided in the Proclamation and directive. - Content of the invitation to bid: Whether the publication of an invitation to bid contains the information requirements stated in the Proclamation and directive. - Floating period of bids - The time allowed for preparation of bids shall not be less than the minimum number of days stated in the procurement directives. • <u>Compliance with rules of participation</u> - The fairness/reasonableness of the criteria (evaluation and award criteria) applied in making procurement decisions fairness, - Fairness in procurement packaging - unless the interest of the Public Body requires otherwise, the same supplier or suppliers shall not be selected repeatedly, so that other suppliers in the suppliers list may have the opportunity of competition to sale to the Public Body.
Transparency	Transparency can be evaluated in light of - whether a complete and clear tender document (including procurement decision criteria) is prepared, and - decisions taken on each procurement stages must be made transparent to all concerned parties/ notification of bid evaluation results to all at the same time.

3.1.3.1 Compliance of the procurement process with the rules of advertisement

The invitation to bid was published in a news paper that has wide circulation and the language in which bid advertisement and a bidding document are prepared, as well as the language in which bid proceedings are conducted complies with the provisions in the Proclamation and directive. Moreover, the publication of an invitation to bid contains the information requirements stated in the Proclamation and directive.

Article 16.9.2 of the Procurement Directive stipulates that “*the floating period that a Public Body has to set the deadline for bid submission shouldn't be less than the minimum date stated in Annex 3 of the directive*”. To this end, the minimum floating period for the consultancy service should have been 30 days. Thus, the floating period that the PE set for the preparation of

bid (16 days) was not sufficient for bidders to prepare responsive bids, to gather information, to analyze the information, and to fulfil other pre-conditions to participate in the bid. The shorter length of the floating period might have been a contributory factor for the lower number of bids' submission.

Except the insufficiency of the time given for the preparation of bids, hence, the overall procurement process complies with the rules of advertisement.

3.1.3.2 Efficiency of the procurement process (Timeliness)

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 6 and 7, respectively.

Table 6: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids	27-Aug-12
B	Deadline for submission of bid/Opening date of Technical bids	12-Sep-12
C	Formation of Technical Evaluation Committee	5-Oct-12
D	Notification of Technical Evaluation Result	Undisclosed
E	Opening of Financial Proposal	23-Nov-12
F	Notification of Bid Evaluation Result	27-Nov-12
G	Notification of award of contract	13-Dec-12
H	Signing of a contract agreement for the service	14-Dec-12

Table 7: Analysis of the Procurement Process

Description of Variables	Duration (days)
Bid Preparation Period – [B-A]	16
Combined Evaluation Period – [F-E]	4
Bid Result Disclosure Period – [G-F]	15
Consultancy Service Procurement Period – [H-A]	108

Both the Procurement Proclamation and Directive stipulate that “any procuring entity must comply among others with the principle that supports the country’s economic development by ensuring economy, efficiency and effectiveness in the execution of public procurement”. In light of this, the time input that the PE utilized for the procurement of the consultancy service is slightly higher than the one to ensure the required efficiency in the execution of public procurement.

3.1.3.3 Fairness of the procurement rules on participation

The PE has employed Selection based on Quality and Cost for selecting the best responsive bidders. The criteria and percentage points that the PE used for evaluating and comparing technical proposals submitted by consultants complies with the ones specified in the

procurement directive & SBD thus showing the award criteria are fair enough to encourage participation.

It is apparent that the owner or facility sponsor holds the key to influence the construction costs, quality and delivery time of a project because any decision made at the beginning stage of a project life cycle has far greater influence than those made at later stages. To this respect, the relatively smaller weightage given for the personnel engaged in phase I (design) as compared to phase II (construction supervision and contract administration) seems unjustifiable.

3.1.3.4 Transparency of the tender evaluation process

In the course of the procurement process of service contract, the PE has prepared a complete and clear tender document (including procurement decision criteria). Moreover, the decisions taken on most of the procurement stages (except the notification of technical bid results) have been made transparent to all concerned parties. Hence, the tender evaluation process can be assessed to be transparent.

3.1.3.5 Competitiveness of the award price

Both the procurement proclamation and directive stipulate that any public entity must among others ensure economy in the execution of public procurement. Despite this, the documents that the PE has availed do not reveal the efforts that the PE has made to verify the competitiveness of the award price.

3.2 Disclosure of contract information

3.2.1 Overview of the contract

a) Main Contract

Consequent to the procurement process stated in *section 3.1.1* above, ASTU and Yohannes Abay Consulting Architects and Engineers concluded a Consultancy Service Agreement on December 14, 2012. With regard to securing the proper execution of all the Consultant's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Service the Contract, the Consultant has provided a performance security amounting to ten (10%) of the total contract price within the stipulated time frame.

The original scope and period of services to be rendered by the Consultant were to undertake the following activities grouped in two phases:

- i. Phase I: Site survey, Preparation of detailed engineering designs, specifications and bill of quantities and bidding documents, and the service shall commence within five (5) days of signing of contract and completed within a maximum of 3 months, and
- ii. Phase II: Supervision and contract administration of the construction of Research Park Building. The consultancy service is scheduled to be completed within 12 months of the construction period inclusive of one month for contract mobilization.

The contract for detailed engineering design, and construction supervision and contract administration is time based contract and the original contract price inclusive of a 15% VAT was 980,375.00 including 15% VAT with breakdown shown in table below.

Table 8: Breakdown of the original contract agreement

Description	Detail Engineering Design	Intermittent staff & contract administration	Resident Supervision and contract administration	Sum
Fees	242,500.00	130,000.00	480,000.00	852,500.00
VAT	36,375.00	19,500.00	72,000.00	127,875.00
Total incl. 15% VAT	278,875.00	149,500.00	552,000.00	980,375.00

b) Supplementary contract

The supplemental agreement for time extension and contract price adjustment for consultancy service to carry out additional tasks of design modification/redesigning of research park project was concluded on April 17, 2017. The agreement is entered into based on the permission obtained from FPPPAA in response to ASTU's request to maintain the continuation of the performance of the consultancy service contract within the threshold of the pertinent government procurement regulations. The supplemental agreement highlights the following justifications and conditions:

- It was ASTU's desire to carry out the design change/redesigning of the original designs of the project under the consideration in which case such design modification was redone, reformulated and proposed by the Korean Expertise in a view to align the function of the building to ASTU's new mission and objectives;
- As the redesigning tasks is completely deviating from the tasks' of the consulting firm as stated under the original contract and the tasks of doing so is believed to be incurring additional redesigning fee which entails outsourcing of some tasks to professionals of various discipline;
- The parties have agreed that extending the initial contract period for contract administration and construction supervision of the project works, including all changes/alterations under the works contract to January 31, 2018 and
- The total contract price for contract administration and construction supervision of the project under consideration is adjusted, without varying the unit price quoted in the initial contract, to ETB 3,063,676.67 including VAT, to cover the cost increment due to guaranteed additional time for completion of the assignments.

With regard to service contract implementation, the consultant submitted tender document with non-priced BOQ and engineering estimate on March 19, 2013 and as of April 04, 2018 the total value of services delivered by the consultant amounts to ETB 2,273,458.19 ETB without VAT.

3.2.2 Verification of the disclosed contract information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The PE has disclosed the main, supplemental contract documents and the Minutes of the Bi-party (Client & Consultant) Meeting held on May 18, 2016, and a letter enclosing approved consultancy payment certificate. In general, no major information variance has been observed.

3.2.3 Analysis of the disclosed contract information

The analysis of the disclosed contract information and the consequent interpretation in terms of the changes and justifications of changes observed in connection to contract price, duration and scope are presented hereunder.

3.2.3.1 Issues related to contract Price

The original and revised Contract Prices inclusive of 15% VAT for the service were ETB 980,375.00 and ETB 3,063,676.67, respectively showing a cost overrun of 212.5%. The disclosed documents have adequately justified the reasons for the significant changes observed with regard to contract price of the consultancy service.

3.2.3.2 Issues related to contract duration

The original contract period and completion date of the phase I of the consulting service were 3 months and March 19, 2013, respectively. The disclosed documents have revealed that Phase I of the consultancy service was completed without significant changes while the intended completion date of the consultancy service was later revised to January 31, 2018 in response to ASTU's desire.

It is note that the disclosed documents have adequately justified the reasons for the significant changes observed with regard to programme of the consultancy service. Despite this, the Procuring Entity should have allocated time sufficient enough to obtain the expertise of professionals to provide adequate planning and feasibility studies as well as design works.

3.2.3.3 Issues related to contract scope

The consultant had delivered the Phase I of the consultancy services in conformance to the original agreement. However, due to client's initiated changes, the original scope of services had been changed. It can thus be said that the disclosed documents have adequately justified the reasons for the significant changes observed with regard to the scope of the consultancy service.

4. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 2

4.1 Disclosure of procurement information

4.1.1 Overview of the procurement process

The Procuring Entity has procured the Construction Work for Research Park Buildings Complex Project using International Competitive Bidding (ICB) Procedures. The invitation to bid was published once in an Ethiopian herald newspaper on April 06/2013 that has nationwide circulation to ensure participation of as many bidders as possible. The ITB had among others specified the following information and requirements:

- All bids must be accompanied a bid security of ETB 500,000.00 or equivalent amount,
- The deadline for submission of bid is on or before the first regular working day after 35 days starting from the first date of the official announcement of this bid on the Ethiopian herald and/or Addis Zemen newspaper.
- A margin of preference of 7.5% shall be considered for local contractors who comply with the eligibility requirements.

In response to the invitation, four (4) bidders submitted their bid offers among the many bidders that bought the bidding document. Based on the procedures set out in the bidding document, the technical bids of the bidders were opened on 16/05/2013 in the presence of concerned offices and representatives of the bidders. Following this, a technical committee was established on 30/05/2013 to carryout detail evaluation of technical proposals and to identify bidders that are responsive to the requirements of the bidding document to pass to financial competition.

Table 9: Technical Evaluation criteria extracted from the tender document

No	Description	Maximum allocated points
1	Legal status	Mandatory
2	General experience as a contractor	5
3	Specific construction experience	15
4	Qualification of key personnel	20
5	Plant and construction equipment	20
6	Financial status	25
7	Methodology and schedule	10
8	Completeness and presentation of qualification documents	5
Total Points		100

Accordingly, the committee has carried out detail examinations of the technical offers of the bidders in accordance with the evaluation and qualification criteria spelled out in the bidding document. The result of the analysis indicated that two bidders have passed to next evaluation stage for further analysis whereas two bidders failed to meet the minimum criteria that must be fulfilled to pass to financial evaluation stage. It is noted that as part of the technical bid evaluation, the PE had verified that the bidders got audit and accounting services from firms who got their certificates of competence and renewal for 2005 from the OFAG.

On 19/09/13, the V/president for administration had notified the technical evaluation result shown in table below to the bidders. Through the same letter, the responsive bidders were notified to participate on the financial proposals opening session which would be conducted on 23/09/2013 at ASTU, purchasing and property administration directorate director office.

Table 10: Technical evaluation results

#	Bidders' Name	Point scored	Responsive/ Non-responsive
1	Tekleberhan Ambaye Construction PLC	96.12	R
2	Koracon Construction PLC	33.3	NR
3	Zamra Construction PLC	61.12	NR
4	Yotek Construction PLC	71.91	R

Having approved the technical evaluation report by responsible body and disclosed the result to all bidders, the financial proposals of all technically responsive bidders had been opened and directed to the technical committee to carryout detail financial analysis and combined evaluations of the proposals. Following this, the committee carried out the evaluations and comparisons of the bid offers in accordance with the evaluation criteria set in the bidding document submitted the report on 21/10/2013.

Table 11: financial evaluation results

S/n	Bidders' name	Readout prices w/o VAT (ETB)	Adjustments	Evaluated prices w/o VAT (ETB)	Financial scores	Rank
1	Tekleberhan Ambaye Construction PLC	392,594,259.90	(6,135,404.08)	386,458,855.83	100	1
2	Yotek Construction PLC	466,371,259.22	(73,944.88)	466,297,314.34	82.88	2

As stipulated in the bidding document, 0.6 and 0.4 weights are allocated to technical and financial offers, respectively, for computation of the global point. The combined technical and financial result of each bidder is then determined by adding together its weighted technical and financial results. The bidder scoring the highest point in the total sum of the technical and financial evaluation is selected as the most successful bidder and its recommended for award.

Table 12: summary of combined technical and financial evaluation result

S/n	Bidders' name	Technical results		Financial results		Combined result	
		(100)	(60)	(100)	(40)	(100)	Rank
1	Tekleberhan Ambaye Construction PLC	96.12	57.67	100	40	97.67	1
2	Yotek Construction PLC	71.91	43.15	82.88	33.15	76.3	2

Based on the examinations and comparisons carried out on technical and financial offers of the bidders to select the most responsive one, Tekleberhan Ambaye Construction PLC scored the

highest total sum 97.67. Hence, the evaluation committee unanimously recommended Tekleberhan Ambaye Construction PLC for the award of the contract for the construction of Research Park Building Complex at the main campus for a total contract price of ETB 444, 427,684.20 inclusive of 15% VAT.

4.1.2 Verification of the disclosed procurement information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the procurement process of the work contract are ITB & Bid document for open tender, Technical and combined technical and financial evaluation reports.

It is noted that the no information variance has been observed between the disclosed and the verified ones.

4.1.3 Analysis of the disclosed procurement information

4.1.3.1 Compliance of the procurement process with the rules of advertisement

The overall procurement process (in terms of medium of advertisement, language in which bid advertisement and a bidding document are prepared, as well as the language in which bid proceedings are conducted, content and floating period) complies with the rules of advertisement.

4.1.3.2 Efficiency of the procurement process (Timeliness)

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 13 and 14, respectively.

Table 13: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids	6-Apr-13
B	Deadline for submission of bid	11-Mar-13
C	Technical Bid opening date	16-May-13
D	Establishment of TEC	30-May-13
E	Notification of Technical Evaluation Result	19-Sep-13 (Thursday)
F	Opening of Financial Proposal	23-Sep-13 (Monday)
G	Notification of Bid Evaluation Result	21-Oct-13
H	Date of letter of acceptance	11-Jul-14
I	Contract signing date	17-Jul-14

Table 14: Analysis of the Procurement Process

Description of Variables	Duration (days)
Bid Floating period – [B-A]	35
Technical Evaluation Period – [E-D]	111
Disclosure period (working days) of Technical Evaluation Results - [F-E]	1
Combined Evaluation Period – [G-F]	28
Contract Award Process – [H-G]	262
Contract Signing Process – [I-H]	6
Work Procurement Period – [I-A]	466

Findings and Identified issues of concern regarding Procurement Stage

- Both the Procurement Proclamation and Directive stipulate that “any procuring entity must comply among others with the principle that supports the country’s economic development by ensuring economy, efficiency and effectiveness in the execution of public procurement”. In light of this, the time input that the PE utilized for the procurement of the work does not ensure the required efficiency in the execution of public procurement.
- The procurement directive prescribes that “A Public Body may open the envelopes containing the financial proposals after 5 working days from the date of notification of the result of the technical evaluation to the bidders”. In contrary to this, the PE opened the financial proposals on 23-Sep-13 (Monday), after one (1) working day from the date of notification of the technical evaluation result on 19-Sep-13 (Thursday) thus revealing incompliance to the procurement directive.

4.1.3.3 Fairness of the procurement rules on participation

The objectivity of the tender evaluation and award criteria is considered to assess the compliance of tender process with rules of participation.

a) Approach in determining the successful bid

The review of the evaluation procedure described in the bid document reveals that the PE had chosen approach (B) of SDB in determining the Successful Bid which states that “*The Bid that is found to be substantially responsive to the professional, technical, and financial qualification requirements, technically compliant in relation to the technical specifications, and with the lowest evaluated bid. The lowest evaluated Bid shall be the bid offering better economic advantage ascertained on the basis of factors affecting the economic value of the bid*”.

Article 16.8.3 (b) of the federal procurement directive stipulates that the public body who desires to use the above selection criteria shall make sure whether a value offered by a bidder in addition to the minimum requirement would bring extra benefit to the Public Body, and whether the extra benefit, if any, is significant. Despite these, the documents that the PE availed do not justify the reasons why it was necessary to allocate 0.6 and 0.4 weights to the technical and financial offers, respectively.

b) Rejection criteria

Section 3 (evaluation and qualification criteria) of the tender document states among others that "Priority of the projects had to be mentioned. However, bidder who fails to comply with the criteria is subjected to complete rejection." The AP has found it the objectivity of this criteria and hence calls for the PE's justification about its reasonableness as well as legal source.

4.1.3.4 Transparency of the tender evaluation process

In the course of the procurement process of the work contract, the PE has prepared a complete and clear tender document (including procurement decision criteria). Moreover, the decisions taken on each procurement stages have been made transparent to all concerned parties. Hence, the tender evaluation process can be assessed to be transparent.

4.1.3.5 Competitiveness of the award price

It is observed that, the consultant had submitted the final revised engineering estimate for the construction of Research Park Building on May 13, 2013.

Table 15: Final revised engineering estimate submitted by the consultant

#	Item	Amount
1	Site work	41,436,690.34
2	Administration + Meeting + Canteen	117,516,271.67
3	Research building	201,720,636.57
4	Workshop + compound services	11,890,084.21
5	Gymnasium + Services	11,890,283.52
6	Guest house (multiply by 3 blocks)	87,153,866.68
7	Power + transformer house	3,244,130.54
8	Guard house (multiply by 3 blocks)	9,732,423.42
Total With 15% VAT		484,584,386.95

During the detailed evaluation stage of the financial bids offered for work contract, the PE hadn't made use of the Engineer's Estimate (as a whole, on Bill Group Basis, unit rates of major items) and unit rates of major items of Other Recently Signed Projects. To this respect, the PE's has shown no effort to avoid unbalanced bid offers and verify the competitiveness of the award price.

4.2 Disclosure of contract information

4.2.1 Overview of the contract

Following the Employer's acceptance of the Contractor's offer on 11/07/2014, a contract agreement for the Construction of Research Park Buildings at ASTU's Main Campus was concluded on July 17, 2014 between ASTU and Tekleberhan Ambaye Construction PLC. With regard to securing the proper execution of all the Contractor's obligations, the contractor submitted performance bond for an amount of 44,442,768.42 valid for 365 days plus 365 days of defect liability effective from 15/7/2014 and work schedule on 16/07/2014.

It is commendable to note that in SCC GCC 9.1 the schedule of Key Personnel is part of the contract. However, for

- i. Unskilled and semi-skilled labour: Only Ethiopian nationals shall be employed as unskilled labour, and Only Ethiopian nationals shall be employed as semi-skilled labour unless the contractor can demonstrate that no suitably trained Ethiopian nationals are available,
- ii. Rates of wages and conditions of labour: The contractor shall pay rates of wages and observe employment conditions not less than those established work is being carried out. In the absence of any established rates or conditions in the locality, the contractor shall follow those by other employers for similar trades and industries.

The scope of the work includes the supply of materials, equipment and labour for the construction of Research Park Buildings complex comprising Administration building with a meeting & Canteen spaces, Research building, Workshop & compound services, Gymnasium & Services, Guest house (3 blocks), Power & transformer house, Guard house (3 blocks) and Site work. The original period of construction was 750 Calendar days with additional 30 days of mobilization time while the original intended completion date was on Sept 05, 2016. The Original Contract Price for the work amounts to ETB 444,427,684.20 inclusive of 15% VAT. It is noted that site hand over was made on August 14, 2014 and the construction work commenced on 16/08/2014.

As of May 15, 2018 the value of work executed and materials on site (considering only 50% of the total contract price of the materials) till May 15, 2018 is 359,461,429.45ETB without VAT. It is noted that for the materials on site (mechanical installation equipment situated at ASTU's main campus) the contractor has furnished insurance coverage for burglary and house breaking, and fire and lightning. An advance payment amounting 77,291,771.16 and 11,593,765.67 VAT was paid to the contractor and all sum was repaid by this period.

Table 16: Total value of work executed as of May 14, 2018

Item	Amount [ETB]
Total value less variations	340,169,512.96
Total value of variation works	15,483,230.86
Material on site (50%)	3,808,685.63
The value of work executed (incl. variations & materials on site) a	359,461,429.45

The original commencement and intended completion dates were on 16/08/2014 and September 05, 2016, respectively, which later were revised to be on March 09, 2015 and May 15, 2018, respectively. As of May 15' 2018, 194.5% of the original contract period(1459 days) had been elapsed.

As of March 2018, two variation works worth of 19.3 million have been approved while a total of 317 calendar days had been granted as Extension of Time out of the 1212 calendar days that the contractor requested in four EOT claims. It is however to be noted that all documents except

the ones showing the approval of EOT #4 and variation order #3 have not been availed by the PE.

Variation order #3: The consultant through a letter dated on October 5, 2017 approved the unit rates for VO # 3 - passenger lifts and the light fittings and thru the same letter, the contractor was instructed to submit the required agreed quantities of the light fittings.

Approval of EOT #4: The contractor requested the consultant submitted time claim #4 on 5/01/2018 for further review and approval. To this respect, on March 12, 2018 the consultant notified ASTU that 68 calendar days out of 413 calendar days have been approved.

Table 17: Delay justification form (submittal of time claim #4)

#	Delayed activities/works	Reason for delay/EOT	Assessment of claims by the consultant	EOT requested by the contractor (days)	EOT accepted by the consultant (days)	Delay affecting the critical path	Reference documents
1	Electrical boards & cables, light fittings, glazing of curtain wall, aluminum cladding and other activities	Delay due to clarification, work order and approval issues in Research, Administration & site works	The case of electrical boards & cables and light fittings are accepted while glazing of curtain wall and aluminum cladding are not accepted as these requests are variation requests and they have to be considered in variation claims if the request got accepted.	78	15	0	Different letters attached in the disclosed documents
2	All works	Due to variation and excess in quantity	No attachment for any variation work permit, for exceeding quantity, variation work approval and no work order to execute the works; but variation # 1 and 2 are checked and approved, hence appropriate EOT had been granted for such cases in the previous claims.	281	0	0	No documents are attached for this particular case
3	Mechanical works for Administration and Research buildings	Reclaim-Due to design change & clarification in Administration and Research buildings such as no mechanical drawings were forwarded to the contractor and due to this from August 2015 up to October 2016	As no mechanical drawings were submitted from August 2015 up to October 2016 or late issuance of such drawings, the planned work was not executed. So the case has been re-evaluated and granted 68 calendar days according to the approved master work schedule.	90	68	68	Different letters attached in the disclosed documents
Total delay without overlap affecting the critical path (in calendar days)						68	

4.2.2 Verification of the disclosed contract information

In the course of the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The documents that the PE has availed with regard to the work contract implementation process are Project Handover Form and Contract Agreement, Latest progress reports, Work Programme approved by the Engineer and subsequent updates, Latest Interim Payment Certificate, Claims and Variation Orders.

It is noted that no other information variance has been observed between the disclosed and the verified ones.

4.2.3 Analysis of the disclosed contract information

4.2.3.1 Issues related to contract Price

As of May 15, 2018 the overall changes to the original contract price was 5.01%. The total contract price adjusted for the variations is ETB 466,681,835.81 including 15% VAT.

Table 18: Revised contract price (as of May 15,2018)

Item	Amount (ETB)
Main contract	386,458,855.83
Variation order No.1	19,351,436.18
Sum	405,810,292.01
VAT 15%	60,871,543.80
Total	466,681,835.81

4.2.3.2 Issues related to contract duration

The original commencement and intended completion dates were on 16/08/2014 and September 05, 2016, respectively, which later were revised to be on March 09, 2015 and May 15, 2018, respectively. As of May 15' 2018, 194.5% of the original contract period(1459 days) had been elapsed thus showing a "behind schedule" condition.

It is noteworthy that the mobilization time given to the contractor is not sufficient enough so as to undertake among others pre-construction planning which is one of the key factors for project success.

4.2.3.3 Issues related to contract scope

The project has undergone with the significant scope changes which are attributed primarily to the reasons explained under the supplementary agreement of the service contract. Hence, it can be said that the project has undergone with significant scope changes which are adequately justified in the project documents made available by the PE.

5. CONCLUSION AND RECOMMENDATION

This chapter presents the end product of the assurance process comprising two separate sections: *section 5.1* concludes the informed judgments made within the broader context of the aims of the assurance undertakings while the highlights of the causes for concern upon which the PE shall provide clarifications and explanations as well as the list of additional project documents that the PE shall make available for further review are provided in *section 5.2*.

5.1 Conclusion

The Construction Sector Transparency Initiative (CoST) is a country- centered initiative to improve the value for money spent on public infrastructure by increasing transparency in the delivery of Government financed construction projects.

In its effort to streamlining disclosure, CoST-Ethiopia delivered trainings, mentorship and follow up disclosures which as a result have enabled Procuring Entities to disclose on the website of FPPAA. To this respect, Adama Science and Technology University (ASTU) has disclosed information and availed project documents on the implementation process of an ongoing Research Park building project in May 2018 which is made up of the following one service and one (1) work contracts:

- i. SERVICE CONTRACT: Consultancy Services for detailed engineering design, construction Supervision and Contract Administration of Research Park Building, and
- ii. WORK CONTRACT: Construction of Research Park Building Project.

CoST Ethiopia has employed an Assurance Professional to carry out the assurance process involving the verification, analysis and interpretation activities so as to make sure that the accuracy and completeness of the disclosed information as well as to highlight any cause for concern that analyzed information reveals mainly in terms of procurement compliance and contract performances.

The verification works carried out to validate the completeness and accuracy of the disclosed procurement and contract information have revealed that information variances are observed in relation to the service and work contracts. Despite this, it is worthwhile noting that the wider time gap between the proactive disclosure and assurance period is a hindrance to make a reliable assessment on the accuracy of the disclosed information.

The procurement processes of the two contracts have shown incompliance to the applicable principles of public procurement.

Though Phase I of the consultancy service was completed without significant changes, the intended completion date of the consultancy service was later revised to January 31, 2018 in response to ASTU's desire. The original and revised Contract Prices inclusive of 15% VAT for the service were ETB 980,375.00 and ETB 3,063,676.67, respectively showing a cost overrun of 212.5%. The consultant had delivered the Phase I of the consultancy services in conformance to the original agreement. However, due to client's initiated changes, the original scope of services had been changed. In general, it can thus be said that the disclosed documents have adequately justified the reasons for the significant changes observed with regard to the contract price, programme and scope of the consultancy service. As of May 15, 2018 the overall changes to the original contract price and period were 5.01% and 94.5%, respectively. The project has

Procuring Entity	Project	Page 20
Adama Science & Technology University	Construction of Research Park	

undergone with the significant scope changes which are attributed primarily to the client initiations.

Heeding the above stated results of the Assurance Process undertaken on the information that ASTU has disclosed on Research Park building project, the following section outlines the issues are recommended upon which the PE shall provide clarifications and explanations, and the list of additional project documents that the PE shall make available for further review.

5.2 Issues recommended for PE's clarification and further review

The following are highlights of causes for concern upon which the PE shall provide clarifications and explanations:

a) *Procurement process of service contract*

- Insufficient floating period set for bid preparation,
- The relatively smaller weightage given for the personnel engaged in phase I (design) as compared to phase II (construction supervision and contract administration) seems unjustifiable.

b) *Procurement process of work contract*

- Shorter validity period of the performance bond,
- No international firm participated though the bidding was ICB.
- The opening of the envelopes containing the financial proposals earlier than the required disclosure period of technical evaluation results,
- The time input (466 days) for the procurement of the work does not ensure the required efficiency in the execution of public procurement.
- Unjustified approach applied in determining the successful bid,
- The competitiveness of the award price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of public procurement.

c) *General*

- In all procurement processes covered in the assurance process, it is observed only two firms had passed to the financial evaluation stages thus implying the award prices were decided with narrow scope of competition.
- The comments and verifications (including signature) of procurement endorsing committee are not shown in all the procurement documents made available

Moreover, the following are the list of additional project documents that the PE shall make available for further review:

- EOT Claims #1-3 with their justifications and variation orders #1 and 2; and
- Technical Evaluation Report - Service Contract.

ANNEX

Annex 1: Filled Infrastructure Data Standard (IDS) disclosed by the PE (as of May 31st 2018)

Identification

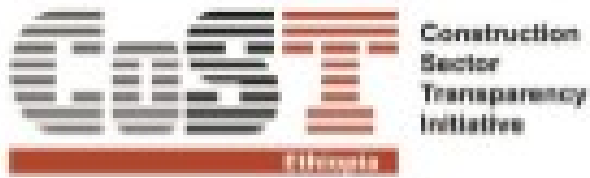
Sector	Education
Location	Adama City
Purpose	Government
Description	the project comprises different buildings with different heights and site works

Preparation

Scope	Research buildings, guest houses and other buildings		
Funding Sources	Government		
Contracts	Supplier 1	Supplier 2	Supplier 3
Contract Title	Research Park Construction	Research park design Consultancy service	Research Park Supervision and Contract Administration
Contract Type	Unit Price	Lump sum	Unit Price
Procurement Type	Works	Consultancy Services	Consultancy Services
Procurement Mode	ICB	NCB	NCB
Contract Status	2	2	2
Number of firms tendering	4	3	3
Contracting firm tin no	0003464279	0005454825	0005454825
Contract Price	444,427,680 ETB	278,875 ETB	701,500 ETB
Description	Admin building and research park	Design	Supervision
Contract start date	18/08/2014	19/09/2012	18/08/2014
Contract end date	25/09/2016	20/04/2013	18/08/2015
Contract Duration	767 Days	216 Days	365 Days
Contract Extend Information	NIL	NIL	NIL
Completion	NIL	NIL	NIL

Annex 2: List of disclosed documents

#	Stage	Documents to be disclosed	Documents Availability			Remarks
			Yes	No	Pages	
1	PROJECT IDENTIFICATION	Inception & feasibility study document for the university's academic and support facilities Implementation				
2	PREPARATION					
2.1	Funding sources/ budget authorization process	Project cost estimation/Inception Assumptions, etc	✓		47	
		Budget approval process/ Project budget	✓		28	Program budget plan & approved budget
2.2	Procurement strategy	Procurement plan				
2.3	Preliminary statutory requirements	Environmental and land impacts (?)				
3	PACKAGE DELIVERY - PROCUREMENT					
3.1	Tender Process					
a	Service Contract - Consultancy Services for Research Park design, construction Supervision and Contract Administration	Notice of Invitation for EoI	N/A			
		Expression of Interest (EOI) Assessment Report	N/A			
		Invitation to bid	✓		89+2	ITB & Bid document for open tender
		Tender Evaluation Report - Technical				
		Tender Evaluation Report - Financial/combined	✓		7	
b	Work Contract - Research Park Construction	Notice of Invitation to bids	✓		154+5	ITB & Bid document
		Evaluation Reports	✓		69	Technical & financial evaluation reports
3.2	Contract Award					
a	Service Contract - Consultancy Services for Research Park design, construction Supervision and Contract Administration	Contract Agreement between ASTU and Yohannes Abbay Consulting Architects and Engineers for the Consultancy Services (including Addendum to Main Agreement, if any)	✓		140+5 4	Main contract document, supplemental contract document and MoM
b	Work Contract	Project Handover Form and Contract Agreement between AdSTU and Tekleberhan Ambaye Construction PLC	✓		313+3	Contract document & site handover
4	PACKAGES DELIVERY - IMPLEMENTATION & COMPLETION					
a	Service contract	Consultancy completion report/ Audit and evaluation reports, if any				
b	Work contract	Latest progress reports	✓		7	
		Project Evaluation/audit report (quarter/annual, if any)	✓			
		Work Programme approved by the Engineer and subsequent updates	✓		56	
		Latest Interim Payment Certificate	✓		134	
		Latest Progress Report	✓		7	
		Design changes				
		Claims and Variation Orders	✓		65	Variation order, time extension & exceeding/decreasing quantity
		Early Warning notices and Compensation Events				



Construction Sector Transparency Initiative- Ethiopia (CoST-Ethiopia)

Assurance Report on Reactive Disclosed Project and Contract Information of Assosa University Phase Four Dormitory Building Constructions (Final Draft)

July 2018

Addis Ababa, Ethiopia

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Acronyms/ Abbreviations

AP- Assurance Professional

CoST - Construction Sector Transparency Initiative

EIA - Environmental Impact Assessment

ETB - Ethiopian Birr

FDRE - Federal Democratic Republic of Ethiopia

IDS- Infrastructure Data Standard

MoE- Ministry of Education

NMSGEC - National Multi-Stakeholder Group Executive Committee

PE - Procuring Entity

PLC - Private Limited Company

RAP - Resettlement Action Plan

RFP - Request for Proposal

VAT - Value Added Tax

1. Executive Summary

The aim of the Construction Sector Transparency Initiative (CoST) is to enhance transparency of the procuring Entities (PEs), consultants and construction companies. This is done by disclosing to the public the way procurements are undertaken by public funds in the construction sector Infrastructure Data Standard (IDS at all stages of the consultancy as well as the construction project cycle; and the process is done from initial development of the project to the final completion. The process also includes service provision, impact assessment, feasibility study and construction contract.

Expansion of education is one of the major government agenda in its effort of attaining rapid socio-economic development in the country through Growth and Transformation Plan (GTP). To this end the government is expanding educational services, among other things, by opening new higher education institutions in the various corners of the country. Assosa University is among the 10 new universities opened recently, and for which constructions are undertaken for dormitory purposes. To this effect, the Ministry of Education has allocated sufficient budget to finance consultancy and construction works for dormitories and other associated projects of the aforementioned university.

Based on the Memorandum of Understanding reached between CoST-Ethiopia and the Ministry of Education (Assosa University), Phase Four Dormitory Building Construction for Assosa University has been evaluated mainly on disclosure of information and project identification. In this project three service contracts were signed and four different contractors are engaged in the project of dormitory construction. The service contracts are briefly described as follows:

Service Contract 1. Planning, design and site adaptation, tender document preparation, supervision and contract administration. This service contract has been done during phase one of the design period by MH Consulting PLC, which was envisaged to be carried out in 3 month time; while the consultancy service for construction supervision and contract administration was to be carried out in 5 years period.

The original contract price of the agreement that was signed between the Ministry of Education and MH Engineering PLC, for planning, design, site adaptation, tender document preparation, supervision and contract administration was a lump sum of 6,832,955.00 (Six million eight hundred thirty two thousands and nine hundred fifty five ETB), including 15% VAT and other taxes. On the other hand, the above stated contract price could be cascaded

into two major consultancy services: a) for planning, design, site adaptation and tender document preparation the allotted service price is 846,975.00 (eighty thousand forty six thousands nine hundred seventy five ETB); and b) for supervision and contract administration the price is 5,985,980.00 (five million nine hundred eighty five thousand nine hundred eighty ETB). In fact the original document of the contract agreement is not found, but an award letter that the Ministry of Education has sent to MH Consultant dated on 21/03/2002 E.C. Other than the above stated consultancy services, there is no information related to consultancy services on environmental and social impact assessment, environmental protection, resettlement action plan and mitigation measures for the construction of the dormitories.

Services Contract 2. This part comprises of supervision and contract administration services, and it has been handled by SG Consulting Engineers PLC. The supervision and contract administration has been taken until the provisional acceptance takes place.

Services Contract 3. For this service Habtamu International Consulting Architects and Engineers PLC signed the main agreement on 21 December, 2016. The service consists of: design review, supervision and contract administration for class rooms, dormitories, president's residence, teachers' residence, laboratory and workshop buildings. The consultant also signed supplementary agreement with Assosa University for contract administration and supervision services during final acceptance of completed buildings constructed by contractors namely: Radar, United, Dainel Tsegaye and Kidane Berihu.

Work Contract for Phase Four Dormitory Construction Projects. During the construction process, four contractors were engaged; and all of them completed the construction and accordingly provisional acceptance letter has been given. The final acceptance letter will be given to the construction companies after having completed the final maintenance period.

The selection process of contractors was direct selection by taking into account their pervious construction completion performances. Here it is the Addis Ababa Housing Development Project Office that directly nominated contractors and subsequently sent their names¹ to the university. The following table demonstrates the list of contractors along with respective project names, estimated budgets, contract period and signing time of their respective

¹ Addis Ababa Housing development project sent a letter to Assosa University through reference number ቤ/ግ/ፕ 14/9560 dated on 22 መጋቢት/ 2007 E.C. In the letter all the names of the three contractors are included and their performances are more than 98%. Based on the letter, Assosa University signed agreement with the four contractors (Radar, United, Daniel Tsegaye, and Kidane Berihu).

agreements.

After submitting this assessment report to CoST-Ethiopia, Assosa University may be requested for any clarification pertaining to the report, and by so-doing the Assurance Professional could incorporate some valid comments after which the report will be finalized.

The performance of service contracts in light of cost, time and scope performance indicators:-

The assignment of the project includes the following activities:

- ✓ The Services Contract I, Planning, design adaptation, tender document preparation, supervision and contract administration handled by MH Consultant;
- ✓ It is observed that Service Contract II, Design review, supervision and contract administration handled by SG Consultant was completed, during assessment the significant changes in total amount contract price, contract duration but there is no change in scope.
- ✓ Supervision of final acceptance handled by Habtamu International.

The performance of work contract in light of cost, time and scope performance indicators:-

On above explanation the consultancy services and construction of dormitory by Assurance Process, the following issues are recommended upon which the PE shall provide clarifications and explanations:

a) Procurement process of service contract I

The major documents (such as minutes, selection criteria, negotiation letter, award letter, which are important to understand the tender process, the document not available by the PE. The incompleteness of the documents make more difficult by the PE to deliver to the Assurance Professional. Assurance Professional face a problem to assure the services contract I, that make the services contract I become incomplete. Only the available document is contract agreement. The details part in chapter 3 and 4.

b) Procurement process of service contract II

The same to the services contract I, the contract II, the major documents (such as advertisement on the newsletter, registration who purchase and submit tender

document, tender evaluation criteria) which are important to understand the tender process, the documents not available by the PE. The only available document is technical evaluation result and financial offered. The incompleteness of the documents make more difficult by the PE to deliver to Assurance Professional. Assurance Professional faces a problem to assure the services contract II that make the services contract II become incomplete. Only the available document is contract agreement and evaluation result. The details part in chapter 3 and 4.

c) Procurement process of service contract III

The same to the services contract I and II, the contract III, the major documents such as advertisement on the newsletter, registration who purchase and submit tender document, tender evaluation criteria which are important to understand the procurement process, the documents not available by the PE. The available documents are complete to justify the completeness of the procurement process. Assurance Professional faces a problem to assure the services contract III that make the services contract III become incomplete. Only the available document is contract agreement and evaluation result. The details part in chapter 3 and 4.

d) Procurement process of work contract

The procurement process of work contract restricted selection process based on the contractor previous performance in the Housing development project. In the PE documents such as minutes, selection criteria, negotiation letter, award letter, which are important to understand the procurement process, the document not available in the PE. The incompleteness of the procurement documents make more difficult by the PE to deliver to the Assurance Professional. Assurance Professional face a problem to assure the work contract to understand the process.

I. United Construction PLC

The main contract amount was 19,587,469 ETB, the variation order number is 1,445,926.3 ETB and the adjusted price 2,243,571.9 including 15% VAT. The total amount of payment effected became 23,273,967.2 including 15%VAT ETB. The contract period based on the agreement 17/ April/2015 – Jan 16/2016 but the provisional acceptance takes place October 29/2016. There were significant delays in the construction period even the justified delay was not documented in detail.

II. Rader Construction

The main contract amount was 25,565,056.99 ETB, the variation order number 1 is 92,803.39 ETB and the adjusted price 3,407,457.27 including 15% VAT. The total amount of payment effected became 29,065,317.84 ETB. The number of justified days of delay was 234 days and the unjustified days of delay were 26 days. The contract period based on the agreement 17/ April/2015 – Jan 16/2016 but the provisional acceptance takes place 17 Sept. 2016,. There were significant delaines in the construction period even the justified delay was not documented in detail.

III. Daniel Tsegaye Contractors

The main contract amount was 25,565,056.99 ETB, the variation order number is 1,497,462 ETB and the adjusted price 2,728,408 including 15% VAT. The total amount of payment effected became 29,790,927.84 ETB. The number of justified days of delay was 264 days and the unjustified days of delay were 15 days. The contract period based on the agreement 17/ April/2015 – Jan 16/2016 but the provisional acceptance takes place October 29/2016. There were significant delaines in the construction period even the justified delay was not documented in detail.

IV. Kidber Contractors

The main contract amount was 21,748,910.45 ETB, the variation order number is 273,444.34 ETB and the adjusted price 2,354,283.07 including 15% VAT. The total amount of payment effected became 24,376,637.86 ETB. The number of justified days of delay was 264 days and the unjustified days of delay were 15 days The contract period based on the agreement 17/ April/2015 – Jan 16/2016 but the provisional acceptance takes place October 29/2016.. There were significant delaines in the construction period even the justified delay was not documented in detail.

The price adjustment happens due to Basic Materials price change. Basic materials are listed in the Table 7.

e) Implementation of service contract I, II & III

There is no any document available during the assurance period by the PE that tale the change of scope in the contract period.

f) Implementation of work contract

Even though the execution of the contract very delay and 204% time elapsed, there is no any change on the contract scope. But there was a significant change in consultancy time and cost from total agreed price.

g) General

The AP try to get all necessary procurement document with cooperation of PE responsible person but during assurance period only available very few document such as contract agreement of all consultant and contractor, evaluation for service contract I & II. Contract agreement available for both service contract and work contract. The procurement process restricted with fixed unite rate for work contract, and no competition. All contractors complete the work, during the assurance period, the final acceptance is under process.

2. Introduction

The construction sector plays a vital role in supporting social and economic development of the country and makes major contribution to the economic growth and poverty reduction of the nation. However, mismanagement and corruption during planning and implementation process of construction projects could adversely affect the expected social and economic benefits.

The Construction Sector Transparency Initiative (CoST) is a multi-stakeholder initiative designed to increase transparency and accountability in the construction sector. In this respect, the mission of CoST is to enhance the transparency of a Procuring Entity (PEs) and construction companies by disclosing to the public information on construction projects at all stages of the project cycle - from initiation to final completion.

It is, however, recognized that the disclosure of this information on its own may not be sufficient in achieving greater accountability. This is because some of the information is likely to be complex and may not be understandable to the general public. An independent Assurance Professional (AP) is therefore appointed by the National Multi-Stakeholder Group Executive Committee (NMSG - EC) that will be responsible for assessing the adequacy and reliability of the disclosed project information and audit processes. Through periodic reporting system, the Assurance Professional will play an interpretative role in making data disclosures intelligibly understandable to the wider stakeholders.

A number of projects associated with housing construction, water development, road construction, etc. have been identified by NMSG of CoST-Ethiopia. This report is therefore produced for Phase Four Dormitory Building in Assosa University, and it is prepared by the Assurance Professional, Demelash Betemariam.

Expansion of education is one of the major government agenda in an effort of attaining rapid socio-economic development in the country through Growth and Transformation Plan (GTP). To this end the government is expanding educational services, among other things, by opening new higher education institutions in the various corners of the country. Assosa University is among the 10 newly established universities for which constructions are undertaken for the purpose of dormitory and other services.

2.1. Objectives of the Assignment

As described in the introduction part of this report, the Procuring Entities (PEs) are required to release information on the selected projects. In order to ensure the authenticity and acceptability of the information released by the Procuring Entities, it has to be analyzed and verified by experts of Assurance Professional who are appointed by the National Multi – Stakeholder Group Executive Committee (NMSG-EC).

The objective of the assignment is to evaluate the process undertaken by the procuring body and the level of transparency and governance of the on-going or accomplished projects. In this regard, the Assurance Professionals has two tasks: in the first place, they collect information and verify that the Infrastructure Data Standard (IDS is both complete and accurate, and in the second place, the AP analyzes the disclosed data and interprets it so that the report will easily be understandable by the wider public.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete, accurate, and it is the latest version available by the time the report has been prepared.

The Quality Assurance Professional (QAP) has been appointed to achieve the following core objectives of the assurance process:

1. To assure the accuracy and completeness of IDS disclosures by the PE;
2. To summarize extent and accuracy of information released for the selected CoST project;
3. To analyse disclosed and demonstrate data in order to make informed judgments about the cost, time and scope aspects of the CoST Project; and
4. To organize and produce reports that are clearly intelligible to the non-specialist with plain language, outlining the findings regarding the implementation process and highlighting any cause for concern that analyzed information reveals on CoST Project.

The challenges of the assurance process are:

- ✓ Some of the documents such as: contract document, bank guarantee, action plan, environmental impact assessment and mitigation measures

during and after construction of projects are not fully available at the procurement entity;

- ✓ Newly joined professionals of the procuring entity have little information about Phase Four Project mainly because of absence of some important documents pertaining to the project;
- ✓ Documents pertaining to the project are not properly handled as a result they are found in a scattered manner and are not easily accessible;
- ✓ Because of absence of all the necessary documents, we could not justify or understand why time extension was given to the contractors.

3. Disclosed of Project Information

3.1. Project overview

The dormitory construction project is completed and provisional acceptance was given a year ago. Currently preparation is underway to undertake the final acceptance and to this effect contractors are doing minor rehabilitation works. At present students in the main campus are getting dormitory services from the newly built buildings. Detailed engineering design and tender document for the project were prepared by MH Consultant and subsequently submitted to the Ministry of Education (MoE). The supervision and contract administration has been undertaken by SG Consultant and the final acceptance work was managed by Habtamu International Consulting Architects and Engineers PLC. The government of FDRE, represented by MoE, had allocated sufficient budget to finance payments for the service and work contracts forming parts of the implementation of the project of which important features are given in Table 2 below.

Table 1. Project description

No	Particulars	Description
1	Project name	Assosa University , Dormitory Construction
2	Region	Benshangule Gumize Regional State
3	Zone	Assosa City Administration
4	City	Assosa
5	Project owner	Assosa Univeristy
6	Number of consultant	Three
6.1	MH Consultants PLC	Planning, Design, Site Adaptation, Tender Document Preparation, Supervision and Contract Administration.
6.2	SG Consultants PLc	Design review, supervision and contract administration
6.3	Habtamu International Consulting Architects and Engineers PLC and lately change name to ASPIRE AECOM Architects and Engineers PLC, but there is no legal document for changing company name.	Supervision for Final Acceptance
7	Contractors	
7.1	United Building Contractor	Lot 5 – Dormitory (Do-T2) TV-210 and Do-T2-Tv-211)
7.2	Radar Building Contractor	Lot 1- Dormitory (Do-T2-Tv, DO-T4-202

		and DO-T2-TV-203
7.3	Daniel Building Contractor	Lot 4- Dormitory (DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213
7.4	Kidane Berihu Building Contractor and lately change its name to Kidber Building Contractor, but there is no legal document that justifies for changing the company's name.	Lot 2 Dormitory (Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir(-Tv-207)

The assignment of the project includes the following activities:

- ✓ Planning, design adaptation, tender document preparation, supervision and contract administration handled by MH Consultant;
- ✓ Design review, supervision and contract administration handled by SG Consultant;
- ✓ Supervision of final acceptance handled by Habtamu International Consulting Architects and Engineers PLC ; and
- ✓ Work contract. Undertaken by: United Building Contractor, Radar Building Contractor, Daniel Building Contractor and Kidane Berihu Contractor

The MH Consultant is in charge of undertaking consultancy service in planning, design adaptation and tender document preparation; and the consultancy service period is 3 months; while the supervision and contract administration is for 60 months. The consultant has undertaken his duty and responsibility within the given time frame and as a result he properly managed his assignment before the commencement of Phase Four contract agreement. In this respect, the planning, design adaptation, supervision and contract administration by MH Consultant has successfully been done. In fact the inputs of MH Consultant in Phase Four Dormitory construction are design and tender document only.

After receiving the design and tender document from MH Consultant, the university carried out advertisement for design review, supervision and contract administration consultancy services. Even though the advertisement date and the newspaper, on which the advertisement was notified, is not available in the PE. PE tender committee receives the technical and financial proposal from SG Consultant, Virtual Consultant, Acute Engineering Consultant, Dynamic Planner Consultant and Yohanes Abay Consulting Engineers and Architects. Among them Virtual and Acute Consultants submitted copy of the document in one post instead of independently submit their respective copies in separate posts. On the other hand Yohanes Abay submitted the original document instead of a copy. It is worth noting that submission of two original documents does not qualify a

candidate to pass to the next step, i.e. technical evaluation. In this regard only Dynamic Planner Consultant and SG Consultant were qualified for technical evaluation. The financial offering of the consultants is stated as follow:

- ✓ SG Consultant 2,058,500.00 ETB
- ✓ Dynamic Planner 3,481,641.20 ETB

It was SG Consultant that became the winner and subsequently signed the contract agreement with the University on May 08/2015; and the assignment was to be completed in a contract period of 24 months. During the consultancy period, the consultant undertook only design review, supervision and contract administration until the provisional acceptance was done. Thus, the final acceptance supervision and contract administration is not included in the contract.

Assosa University had made invitation to consultants through *Addis Zemen* newspaper, dated on August 6, 2016 (ጥቅም 30/2008 ዓ.ም), that had interest to enter into a bid to undertake new design work, design review, supervision and contract administration for different construction projects. During the invitation 13 consultants submitted their technical and financial proposals; and from among the 13 consultants only four of them passed the technical evaluation. Accordingly, final evaluation on both technical and financial proposals was made and the final winner of the bid became Habtamu International Consulting Architects and Engineers PLC. The firm subsequently signed an agreement with the client and the contract was awarded to the winner firm to undertake the assignment as stated above.

Table 2. **Technical and Financial Result**

Name of Consultant pass for Technical and Financial Evaluation	Technical Evaluation Result from 80%	Offered price	Financial Result from 20%	Sum of technical and Financial result from 100%	Remark
ETG Designs and consultants Plc	70.4	5,427,425	8.98	79.38	Habtamu International Consulting Architects and Engineers PLC is the winner.
Habtamu International Consulting Architects and Engineers PLC	66.4	2,438,000	20	86.4	
Yohannes Abay consulting Architect & Engineers	64.8	5,168,100	9.43	74.23	
Virtual Consulting PLC	64.4	2,663,515	18.30	82.7	

Instead of inviting new consultant, the university decided to sign supplementary agreement with Habtamu International Consulting Architects and Engineers PLC for supervision and contract administration of final acceptance of Phase Four Dormitory project. The period allotted for final acceptance processing is not more than one month and the final minor rehabilitation process shall be undertaken during study period. The scope of construction is 270 days for each contractor; and the following table describes the time frame along with the estimated cost of each contractor involved in the project.

Table 3. Original contract amount, scope and contract period

Description	Contractors Name			
	United	Radar	Daniel	Kidane Berihu
Project Name	Lot 5 – Dormitory (Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory (Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory (DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory (Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir(- Tv-207)
Original contract and Estimated budget in ETB	19,587,469.02 including VAT 15%	25,565,056.99 including VAT 15%	25,565,056.99 including VAT 15%	21,748,910.45 including VAT 15%
Sign the agreement	17/ April/2015	17/ April/2015	17/ April/2015	17/ April/2015
Contract period	17/ April/2015 – Jan 16/2016	17 April/2015 – Jan 16/2016	16/ April/2015– Jan 15/2016	17/ April/2015– Jan 16/2016
Project scope	270 days/	270 days	270 days	270 days

3.2. Scope of the project

Construction of student dormitories in Assosa University within 270 calendar days.

3.3. Socio economic benefits (purpose) of the project

The project could have positive socio-economic impacts in many respects. In the first place it solves the problem of dormitory for students that have been getting educational services in the aforementioned university. This in turn would have positive impact on the overall academic performance of the students under

discussion. The other impact is that the project could create temporary and permanent employment opportunities for residences of the town and also creates opportunities for skill transfer. This is to say that temporary jobs could be created for some job seekers during the construction period. On the other hand permanent jobs would also be created for those who could be engaged in sanitary and security services within the university. Likewise workers who are employed in the project would develop their skills related to construction works.

3.4. Undesired impacts of the project

There are not as such significantly observed undesired impacts of the project. However, one thing that should be worth mentioning is that there could be some environmental impacts of the project during the construction period because some construction materials, in the form of cart away, could be dumped in the vicinity of the university so that it could adversely affect the environment resulting in siltation on rivers and streams during rainy seasons. On the other hand dust from construction sites could also negatively affect the environment and hence the community during construction period.

3.5. Sources of funding and project cost

The source of funding is the government of Ethiopia through its affiliated ministry, the Ministry of Education.

3.6. Project duration

The construction period set for four of the contractors is 270 days, for further details refer Table 4 above.

4. Disclosure of procurement and Contract for Information Consultancy

4.1. Disclosures of procurement information

4.1.1. Overview of the procurement process

The procurement process of consultancy services have three major assignments, in each assignment three different consultants perform the overall project assignment; and these assignments are consultancy services on detailed engineering, design and supervision. In this regard, the original scopes of the consultancy services are:

- i. Engineering design , this is to carry out planning , site design adaptation, tender document preparation, supervision and contract administration work handled by MH consultant;
- ii. Supervision and contract administration work handled by SG Consultant; and
- iii. Supervision for final acceptance is handled by Habtamu International Consulting Architects and Engineer PLC.

The contract period for planning, designing, site adaptation, tender document preparation, supervision and contract administration work is a total of 63 months. On the other hand, the time allotted for planning, designing, site adaptation and tender document preparation is 3 months; while for contract administration and supervision works 60 months. The consultant has been doing his duties and responsibility during his contract period. The supervision and contract administration has been done for other projects, not for Phase Four Dormitory. MH Consultant had input only in the preparation of design and tender document for Phase Four Dormitory, but did not participate in the design review, supervision and contract administration, because SG Consultant handled the design review, supervision and contract administration.

Generally, the planning work, design preparation, site adaptation, tender document preparation , supervision and contract administration was completed by MH consultant; while the supervision and contract administration service was handled and completed by SG Consultant. The remaining supervision and minor rehabilitation work for final acceptance after defect liability period was supervised by Habtamu International Consulting Architects and Engineer PLC with a cost of 414,460 (four hundred fourteen thousand four hundred sixty ETB), and this was done in almost one month time.

4.1.2. Verification of the disclosed procurement information

MH Consultant has been engaged in planning, design work, site adaptation, tender document preparation, supervision and contract administration of the University right from the time its establishment. The Consultant received all the above assignments through single selection processes and negotiation. For finalization of Phase Four Dormitory Project the Consultant also prepared design and tender documents.

The university made a call of consultants for design review, supervision and contract administration. Based on the invitation five consultants submitted their respective technical and financial proposals. The consultants were:

- ✓ SG Consultant;
- ✓ Acute Consultant;
- ✓ Virtual Consultant;
- ✓ Dynamic Planner Consultant; and
- ✓ Yohanes Abay Consulting Architects & Engineers.

The evaluating committee evaluated the documents of above five consultants; and among them Virtual and Acute consultants were automatically rejected for not respecting the procedure of tender document submission. Both these consultants submitted their respective copies of tender documents in a single post instead of submitting them in separate posts. On the other hand Yohanes Abay also submitted two original documents instead of a copy and an original and as the result he was also rejected. Here attempt was made to check whether or not this criterion (related to submission of documents) is present in the directive of the evaluation criteria, but the evaluation criteria document was not available during our study period in the procurement office.

The evaluation process had two steps - one technical and the other financial. Accordingly, two consultants passed the technical evaluation and subsequently their respective financial proposals were directly opened. SG Consultant was the list bidder and as a result he became the winner as has been shown in the table below:

Table 4. Consultants pass for technical and financial evaluation

No	Name of consultant	Offered price	Remark
1	SG Consultant	2,058,500.00	List bidder and winner
2	Dynamic Planner	3,481,641.20	

For the final acceptance, the University simply made supplementary agreement with Habtamu International Consulting Architects and Engineer PLC, while this consultant already have other agreement for design, supervision and contract administration works in the University. Instead of recruiting other consultant for one month work, the University merely choose supplementary agreement with the existing consultant (Habtamu International Consulting Architects and Engineer PLC) for an assignment that amounts to 414,460 ETB (Four hundred fourteen thousand four hundred sixty ETB).

4.1.2.1. Completeness of the disclosed procurement information

As far as completeness of disclosing procurement information is concerned, so far full information is not available. In fact the procurement process was handled by the Ministry of Education (MoE); and the Ministry has only the contract agreement between MoE and MH Consultant and the invitation letter that calls for submission of the financial proposal. Other documents such as the minute that deals with the selection process and the given justifications are not available. The only documents which are available in the procurement office of the university are those which are related to the contract agreement and tender committee valuation result. Other documents that show the process of tendering such as: when the advertisement was made, bidders expression of interest, the number of technical and financial proposals submitted by consultants, the names of bidders that attended at closing and opening periods of bid documents, the process of disclosure of bid documents and the presence (if any) of complaint before opening of the financial proposals.

In fact the university advertised the job on *Addis Zemen* Gazette on August 6, 2016 (ሀገረ 30/2008 ዓ.ም); and subsequently five consultants submitted their technical as well as financial proposals. Out of the five bidders only two of them passed for financial evaluation.

4.1.2.2. Accuracy of the disclosed procurement information

With regard to accuracy of the disclosed procurement information, the process of procurement related to MH Consultant PLC is clear because it was done through direct selection and negotiation process. But, as have been mentioned above, there is no full information as to when the advertisement take place, what was the selection criteria for selection of consultant, because all the necessary documents, including minutes, are not available.

4.1.3. Analysis of the disclosed procurement information

4.1.3.1. Compliance of the procurement process with rules of advertisement

The procurement process lacks some procedural aspects right from the time of advertisement to final award of the job (assignment). Here the Assurance Professional tried to get all pertinent documents related to the procurement process, but as stated above, all the necessary documents are not available and as a result it has become difficult to prove whether or not the procurement process is in compliance/harmony/ with the established rules and procedures of the procuring entity.

4.1.3.2. Efficiency of the procurement process (Timeliness)

To exhaustively examine the efficiency (timeliness) of the procurement process all the necessary documents that describe the process right from the date of advertisement to the signing of the contract agreement should be available. But as have been mentioned above, such documents are not available in the office of the procurement entity and as a result it is difficult to forward comments on such issue. One thing apparently observed from available documents is that the time span between the start of evaluation process to that of the signing of the contract agreement for SG Consultant took three months, i.e. from 16 March, 2015 to 08 May, 2015; and this seems to me a reasonable time frame.

The SG Consultant procurement process, the evaluation committee check whether the consultant properly submit the technical and financial proposal by date of 07/07/2007 EC , three consultant not full fill for next step technical evaluation and only two are pass technical evaluation. By the date of 13/08/2007 EC the tender committee opens the financial proposal, SG Consultant become a winner. The SG consultant signs the agreement with Assosa University by the date of 08 May 2015. The advertising date document not

available but the time taken from evaluation start up to sign of the contract agreement is from 07/07/2007EC (16/March/2015) up to 08/May/2015. The procurement process complete within three month.

During the selection Habtamu International Consulting Architects and Engineer PLC, the advertisement disclose by 30/11/2008 EC and thirteen consultant submit and four consultant pass for technical evaluation and disclose by date 26/1/09. The technical and financial evaluation disclose by the date of 10/04/2009. The supplementary agreement signed Assosa University and Habtamu International Consulting Architects and Engineer PLC only for final acceptance. The time taken for procurement process from 30/11/2008 up to 10/04/2009EC. The total time taken for procurement process five month.

4.1.3.3 Fairness of the procurement rules on participation

All the documents that deal on technical proposals of the consultants are not available and as a result it has become difficult to evaluate the fairness and the level of participation of bidders in the evaluation process.

4.1.3.4 Transparency of the tender's evaluation process

Documents related to the evaluation criteria, technical proposals and full evaluation document of the consultants are not available; and as the result it is difficult to clearly understand the level of transparency to bidders during the evaluation process.

4.1.3.5 Objectivity of the tender evaluation and the award criteria

The objective of tender evaluation and the award criteria are in order to bring fair competition and transparency in the tendering process.

4.1.3.6 Competitiveness of the award price

Habtamu International Consulting Architects and Engineer PLC and SG Consultant offered least prices. Moreover, these consultants' prices are reasonable enough as compared to the prices offered by the other consultants.

4.1.3.7 Overview of contract milestones: Original Scope, Time and Cost

MH Consultant PLC signed the agreement for the above mentioned assignment, and the original scope is clearly set in the contract document; but the document that describes the time frame and the amount of cost was not available during the study period.

In the original scope SG Consultant was to undertake the assignment in two year time (from May 08/2015 to May 07/2017) but the assignment is not only supervise phase four selected contractors (Rader, United, Daniel Tsegay and Kidbar) but also other contractors such as Kirose Hadego Building Contractors, Semer Kale Construction, Neguse Kilelome General Contractors and Milk Construction. The consultant provided the services up to October 2018, i.e. until provisional acceptance was done on the selected consultant. The total time extend until October 2018 almost the consultant give the services for additional 16 month (67% the contract period). The procuring entity effect additional payment 1,372,320.00 ETB (67% of the contract amount)

Habtamu International Consulting Architects and Engineer PLC signed the agreement with the University under main contract; the supplementary agreement was also signed on February 15, 2018.

4.2. Disclosure of contract information

4.2.1. Overview of the contract

The procurement process for planning, designing, site adaptation, tender document preparation, supervision and contract administration was made though single selection processes and negotiation with MH Consultant PLC. In fact MH Consultant did not participate in the design review, supervision and contract administration of Phase Four Dormitory Construction project; rather it involved only in design and tender document preparation. The university invited new consultants for design review, supervision and contract administration for Phase Four Dormitory Construction project. Accordingly, the consultants who submitted their technical and financial proposals were:

- ✓ SG Consultant
- ✓ Acute Consultant
- ✓ Virtual Consultant
- ✓ Dynamic Planner Consultant
- ✓ Yohanes Abay Consulting Architects & Engineers

The evaluation committee undertook evaluation on the above five consultants. As has been mentioned above, from amongst them Virtual, Acute and Yohanes Abay Consultants were automatically rejected for not keeping the procedure of submission of tender documents. As a result three of them failed to pass the technical evaluation. Here it is worth mentioning that no document is found in the office of the procuring entity that describes the evaluation criteria.

On August 6, 2016 (ሀምሌ 30/2008 ዓ.ም) the University invited for interested consultants, through *Addis Zemen* Gazette, and as the result 13 consultants showed interest for the assignment. From amongst them only five consultants passed the technical evaluation. Four of them are listed in the following table along with their respective technical and financial results:

Table 5. Consultant names, technical and financial evaluation result.

Name of Consultant	Technical result from 80%	Offered cost	Financial result (20%)	Technical and Financial Result	Remark
Yohannes Abay Consulting Architect & Engineers	64.8	5,168,100	9.43	74.43	
ETG Designs and Consultants PLC	70.1	5,427,425	8.98	79.38	
Virtual Consulting PLC	64.4	2,663,515	18.30	82.7	
Habtamu International Consulting Architects and Engineers PLC	66.4	2,438,000	20.00	86.4	List bidder, winner

4.2.2. Verification of the disclosed contract information

4.2.2.1. Completeness of the disclosed contract information

No document is found in the office of the procuring entity that describes the evaluation criteria, particularly related to the three consultants: Virtual, Acute and Yohanes Abay.

4.2.2.2. Accuracy of the disclosed contract information

Absence of all the necessary documents could not enable to check the accuracy of the disclosed contract information.

4.2.3. Analysis of the disclosed contract information

4.2.3.1. Issues related to contract price, duration and scope

The contract price for MH Consultant is 6,832,955.00 ETB, the duration was 63 months. The original scope for SG Consultant was for two years (from May 08/2015 up to May 07/2017) but the assignment is not only supervise phase four selected contractors (Rader, United, Daniel Tsegay and Kidbar) but also Kirose Hadege Building contractors, Semer Kale construction, Neguse kilelome General contractors and Milk construction. The consultant gives the services up to October 2018 until provisional acceptance done on the selected contractors. The total time extend until October 2018 almost the consultant give the services for additional 16 month (67% the contract period). The procuring entity effect additional payment 1,372,320.00 ETB (67% of the contract amount). The root causes for the change of scope the consultant, the procuring entity justified for four contractors for more than 200 days for each contractor.

Habtamu International Consulting Architects and Engineers PLC with an amount of 414,460 (Four hundred fourteen thousand four hundred sixty) ETB for a period of six month. But the services is not complete, yet the consultancy services given by the consultant.

5. Disclosure of procurement and contract information for works

5.1. Disclosures of procurement information

5.1.1. Overview of the procurement process

The procurement process has been done based on the previous performances of contractors in Addis Ababa Housing Construction Project. As has been mentioned above, the Addis Ababa Housing Construction office sent a letter to Assosa University in a letter with reference number ቤ/ግ/ፕ 14/9560 dated on March 31, 2015 (ሐገቢት 22/2007 E.C), and three contractors' names (Rader, United and Kidber) are included in the letter. On the other hand Daniel Tsegaye is selected from among the participants of Phase Three Project of the University for his outstanding Performance. According to Addis Ababa Housing Construction office, the performances of the above mentioned three contractors were more than 98%. It is with this selection background that Assosa University signed agreements with the four contractors. Please refer to annex 1 for the attached letter.

5.1.2. Verification of the disclosed procurement information

As stated above, the selection process was made through recommendation letter based on pervious performances of contractors in Addis Ababa Housing Construction Project as well as performances from Phase Three Project of the University.

5.1.2.1. Completeness of the disclosed procurement information

The recommended contractors were notified whether to accept the invitation or not. The contractors accepted the fixed unit rate of each item and subsequently signed the agreement with the procuring entity.

5.1.2.2. Accuracy of the disclosed procurement information

Since the procurement was made through direct selection, no need of disclosed procurement information.

5.1.3. Analysis of the disclosed procurement information

The procurement process was through direct selection process based on pervious performances of contractors in Addis Ababa Housing Construction Project as well as performances from Phase Three Project of the University. So the procurement process was undertaken based on the modality of direct selection process and fixed price.

5.1.3.1. Compliance of the procurement process with rules of advertisement

The procurement process complies with rules of advertisement.

5.1.3.2. Efficiency of the procurement process (Timeliness)

No data is available to measure the efficiency/ timeliness of the procurement process.

5.1.3.3. Fairness of the procurement rules on participation

As long as selection of bidders based on their previous performances is set in the procurement rule, thus the process seems fair.

5.1.3.4. Transparency of the tender's evaluation process

The bidders did not submit their respective costs, it is the procuring entity that directly awards the project through fixed rate; and the contractors accepted the offered rate by procuring entity.

5.1.3.5. Objectivity the tender evaluation and the award criteria

The tender evaluation is objective because the award is made based on previous performances of contractors.

5.1.4. Competitiveness of the award price

The award price was made by the procuring entity based on fixed price.

5.1.5. Overview of contract milestones: Original Scope, Time & Cost

The original scope of contractors, contract amount and project names are shown in Table 4.

The original scope for all the contractors was 270 calendar days, but due to late decision on variation and price escalation each contractor delay more than 200 days on average. The provisional acceptance for each contractor is also shown in Table 4.

The cost of construction fall in variation and price adjustment, the employer pay considerable amount of money for both variation and adjusted prices. The contract document shown in GCC.62 states that, price adjustment can be done on Basic Materials List; and GCC.15 Modification by change order. The percentage of increment on each basic material is shown on Table 6.

GCC.62 Price adjustment

GCC.62.1 The contract is subject to price adjustment from the effective date

GCC.62.7 The basis for compensation will be only those categories of inputs which are specifically listed in the schedule of Basic Materials List.

GCC. 62.13

- The price adjustment factor shall consider only the list of items in schedule of Basic Materials List.
 - The price adjustment factor to the payment amounts due shall be calculated based on the formula to be prepared by the contractor, checked and recommended by the consultant and approved by the employer.
 - The price adjustment formula approved by the employer shall be part of the contract agreement.
 - The contractor shall submit to the engineer price adjustment payments one every six months.

GCC.15 Modification by change order

In the special condition of contract did not specified about the variation but in the general condition listed about modification and change order. The modification and change order should be ordered by engineer and approved by employer.

Table 6. Original scope of contractors, contract amount and project name

Contractors Name	United	Radar	Daniel Tsegaye	Kidane Berihu
Project Name	Lot 5 – Dormitory (Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory (Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory (DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory (Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir(-Tv-207)
Original contract and Estimated budget in ETB	19,587,469.02 including VAT 15%	25,565,056.99 including VAT 15%	25,565,056.99 including VAT 15%	21,748,910.45 including VAT 15%
Sign the agreement	17/ April/2015	17/ April/2015	17/ April/2015	17/ April/2015
Site Handover		20 th April 2015	20 th April/2015	17 th April 2015
Contract period	17/ April/2015 – Jan 16/2016	17 April/2015 -- Jan 16/2016	16/ April/2015– Jan 15/2016	17/ April/2015– Jan 16/2016
Project scope	270 days	270 days	270 days	270 days
Provisional acceptance	October 29/2016. (19/02/2009)	17 sept. 2016,	October 29/2016. (19/02/2009)	October 29/2016. (19/02/2009)

Table 7. Table price escalated in Basic Materials List

No .	Item	Unit	Basic Price in ETB	New prices 24/11/2008 EC in ETB	Price in ETB	Price escalation
1	Sand	M3	130	180	138.5 %	38%
2	Stone	M3	140	200	142.9 %	43%
3	Gravel	M3	420	480	114.3 %	14%
4	EGA 400 and 500, 0.4mm thick roof cover	Ml	143.95	107.29	74.5%	-25%
5	G-28 GALVANIZED METAL SHEET	M2	117.29	100.14	85.4%	-15%
6	Steel structures (RHS)	Kg	24.15	18.23	75.5%	-25%
7	Black Iron sheet 5,6 and 8 mm	kg	22.56	20.40	90.4%	-10%
8	Black iron ribbed sheet 08 mm	M ²	182.43	154.47	84.7%	-15%
9	Chip wood ceiling(1.25x2.5 m)	pcs	153.0	208.0	135.9 %	36%
10	Diesel	Lit	17.49	14.80	84.6%	-15%
11	Regular	Lit	19.41	17.25	88.9%	-11%
12	Carpenter	Day	140.0	250.0	178.6 %	79%
13	Mason	Day	140.0	250.0	178.6 %	79%
14	Daily labor	Day	40.0	80.0	200.0 %	100%

V. United Construction PLC

The contractor requested to the consultant price adjustment payment for the executed works by a letter with Ref. No. U/Con/1/032/09 dated on 01/06/2009 E.C. for price adjustment on interim payment Number 02,03,04,05 and 06. The total amount was ETB 2,109,674.19 (Two Million One Hundred Nine Thousand Six Hundred Seventy Four Birr and 19/100 cent) including VAT for the price escalated items. The escalated items are those which are shown in Table 7 above.

Table 8. Payment before any price adjustment.

Payment No.	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	3,406,516.4	510,977.5	3,917,493.9
Payment No 2	1,020,348.4	287,277.7	1,307,626.1
Payment No 3	1,926,468.9	199,217.1	2,125,686.0
Payment No 4	1,640,023.5	261,620.2	1,901,643.7
Payment No 5	2,633,865.7	421,418.6	3,055,284.3
Payment No 6	2,820,183.3	453,990.4	3,274,173.7
Payment No 7	1,821,991.4	287,682.8	2,109,674.2
Total	11,862,881.20	1,911,206.80	13,774,088.00

Table 9. Main contract, Variation and Price Adjusted payment

Item No	Description	Before Vat 15% in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1	Main contract for Dormitory Do-T2 mirr-Tv-210	8,516,290.88	1,277,443.6	9,793,734.5
	Variation Order # 1	136,241.59	20,436.2	156,677.8
	Variation Order # 2	518,268.84	77,740.3	596,009.2

2	Main contract for Dormitory Do-T2-TV-211	8,516,290.88	1,277,443.6	9,793,734.5
	Variation Order # 1	85,772.24	12,865.8	98,638.1
	Variation Order # 2	514,435.84	77,165.4	591,601.2
	Price adjustment for payment	1,950,932.11	292,639.8	2,243,571.9
	Grand Total after deduction	20,238,232.36	3,035,734.9	23,273,967.2

The final payment went up by 118.8%, more than the original contract provisional acceptance that was taken on October 29/2016. ??

VI. Rader Construction

The main contract amount was 25,565,056.99 ETB, the variation order number 1 is 92,803.39 ETB and the adjusted price 3,407,457.27 including 15% VAT. The total amount of payment effected became 29,065,317.84 ETB. The number of justified days of delay was 234 days and the unjustified days of delay were 26 days.

Table 10. Payment before any price adjustment.

Payment No.	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	4,446,096.87	666,914.53	5,113,011.40
Payment No 2	1,252,677.00	542,839.00	1,795,516.00
Payment No 3	2,690,419.68	113,101.16	2,803,520.84
Payment No 4	1,455,872.97	248,008.17	1,703,881.14
Payment No 5	2,726,340.73	4304,74.85	2,726,340.73
Payment No 6	4,021,271.86	634,937.66	4,656,209.52
Total	12,146,582.24	1,538,885.99	13,685,468.23

Table 11. Main contract, Variation and Price Adjusted payment

Payment category	Before 15% VAT in ETB	15 % VAT in ETB	including 15% VAT in ETB
Main contract	22,230,484.34	3,334,572.65	25,565,056.99
Price adjustment	2,963,006.32	444,450.95	3,407,457.27
Final Payment			
Variation order	80,698.77	12,104.82	92,803.59
Total Sum	25,274,189.43	3,791,128.41	29,065,317.84

VII. Daniel Tsegaye Contractors

Daniel Tsegay Building contractor signed the agreement with Assosa University on 16th of April, 2015 with contract amount of 25,565,056.99, including VAT 15%. The site handover was taken place on 20th of April, 2015. The advance payment was 5,113,011.40 (Five million one hundred thirteen thousand eleven birr and 40/100 cents) ETB which was effected through unconditional bank guarantee from Abay Bank S.C with an amount of 5,113,011.40 (Five million one hundred thirteen thousand eleven birr and 40/100 cents) ETB. The total number of delay by this contractor were 279 calendar days, out of this 264 calendar days were justified and the remaining 15 calendar days were unjustifiable both by the consultant and the employer. For the unjustified delay there are no documents that indicate about the type of measure taken for delay.

Table 12. Payment before any price adjustment

Payment No.	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	4,446,096.87	666,914.53	5,113,011.40
Payment No 2	5,749,569.59	931,877.94	6,681,447.53
Payment No 3	1,637,018.70	279,731.04	1,916,749.74
Payment No 4	5,687,748.14	905,294.99	6,593,043.13
Payment No 5	2,253,902.5	355,879.33	2,609,781.83
Total	15,328,238.93	2,472,783.30	17,801,022.23

Table 13. Main contract, Variation and Price Adjusted payment

Payment category	Before 15% VAT in ETB	15 % VAT in ETB	including 15% VAT in ETB
Main contract	22,230,484	3,334,573	25,565,057

Price adjustment	2,372,529	355,879	2,728,408
Variation order	1,302,141	195,322	1,497,462
Total Sum	25,905,154	3,885,774	29,790,927

VIII. Kidber Contractors

Variation number one Dormitory Do-T4-206 in superstructure concert work, formworks, deformed bars, and metal work, plastering and painting, finishing work, glazing and painting are listed in the payment certificate and variation number two retaining wall for Dormitory Do-T2 mirr –TV- 207. Time extension 342 days ASu. po/ 2374/46/09 and date 16/10/2009 Ec accepted, in addition to this the contractor requested Ref No ASu Po 2449/11/09 date 04/11/09 142 days but get only 122 days accepted in addition mobilization 15 date and 464 days total 479 days extended with acceptable ground. The provisional acceptance has been taken date 29/07/2009

Table 14. Payment before any price adjustment.

	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	3,782,419.21	567,362.88	4,349,782.09
Payment No 2	1,597,848.72	264,906.01	1,862,754.73
Payment No 3	2,541,749.31	412,540.51	2,954,289.82
Payment No 4	2,137,347.93	341,975.67	2,479,323.60
Payment No 5	2,434,477.55	527,013.72	2,961,491.27
Payment No 5	1108882.43	183659.72	1,292,542.15
Payment No 6	1,755,497.90	277,183.88	2,032,681.78

Total	11,575,803.84	2,007,279.51	13,583,083.35

Table 15. Main contract, Variation and Price Adjusted payment

Payment category	Before 15% VAT	15 % VAT	Including 15% VAT
Main contract	18,912,096.04	2,836,814.41	21,748,910.45
Price adjustment No 1	1,847,892.53	277,183.88	2,125,076.41
Price adjustment No 2	199,310.14	29,896.52	229,206.66
Variation order 1	35,135.73	5,270.36	40,406.09
Variation order 2	202,641.96	30,396.29	233,038.25
Total Sum	21,197,076.40	3,179,561.46	24,376,637.86

5.2. Disclosure of contract information

5.2.1. Overview of the contract

The contractors were selected based on their previous performances on similar projects; and as the result the procurement process was undertaken by restricted tender as a result of which the unit price was fixed by the employer.

5.2.2. Verification of the disclosed contract information

Since contractors are already participating in different construction projects in Addis Ababa Housing Construction Agency, the disclosed contract information was done through notifying to contractors by a letter.

5.2.2.1. Completeness of the disclosed contract information

In the contract document signed between Assosa University and the contractors the scope of construction, unit rate of each construction item, the drawings and the site plan are explicitly written. Thus, the contract information is clearly disclosed.

5.2.2.2. Accuracy of the disclosed contract information

In the contract document all the rights and responsibilities of the parties involved are clearly stated. Moreover, it is also pointed out in the contract agreement how to manage any variation, price escalation as well as supplementary agreement for additional works.

5.2.3. Analysis of the disclosed contract information

5.2.3.1. Issues related to contract price

The prices of some basic items such as: stone, sand, daily labor, carpenter, and mason were revised five times, by 21/02/2008, 16/04/2008, 05/07/2008, 01/09/2008 and 24/11/2008. In the report, it is noted that the root cause for price adjustment was increment in fuel price and the presence of massive construction projects in the surrounding areas. This massive construction in the surrounding areas absorbed the labor force such as carpenters as well as masonry workers. There is no unjustified change in the document but the root cause of dalliance did not mention enough supported by the document.

5.2.3.2. Issues related to the contract duration

The contract duration of the projects of all the four contractors were delayed by about 70% to 90% as compared with the original scope. There is not, however, sufficient justification/explanation behind the delay.

5.2.3.3. Issues related to contract scope

As has been mentioned above, the contract duration of the projects of all the four contractors were delayed by about 70% to 90% as compared with the original scope. But the issues that causes delay of the projects is substantiated through documents.

Table 16. Actual completion, delay, justified and unjustified days of delay

Contractors Name	United	Radar	Daniel Tsegaye	Kidane Berihu
Sign the agreement	17/ April/2015	17/ April/2015	17/ April/2015	17/ April/2015
Site Handover		20 th April 2015		
Contract period	17/ April/2015 – Jan 16/2016	17 April/2015 – Jan 16/2016	16/ April/2015– Jan 15/2016	17/ April/2015– Jan 16/2016
Project scope at completion	270 days/ until Jan 16/2016	270 days/until Jan 16/2016	270 days/ until Jan 15/2016	Jan 16/2016 days/ until
Completion date according to contract	Data not available	27/01/2016	January 26,2016	
Provisional acceptance	October 29/2016. (19/02/2009)	17 Sept. 2016,	October 29/2016. (19/02/2009)	October 29/2016. (19/02/2009)
Actual completion	Not available	13/10/2017	October 31/2016	
Total number of delays	Not available	270 calendar days	279 calendar days	499 calendar days
Number of justified days of delay	Not available	234 calendar days	264 calendar days	479 calendar days
Number of unjustified days of delay	Not available	26 calendar days	15 calendar days	20 calendar days
Changes of contract duration as compared to the original contract duration	Not available	86.7 % contract duration extend with justified contract	97.8 % contract duration extend with justified contract	177.4% contract duration extend with justified contract
Justification of changes	Not available	No need give any more days from justified date	No need give any more days from justified date	No need give any more days from justified date
Brief explanation of unjustified changes	Not available	There is no any detail explanation about the unjustified changes.	There is no any detail explanation about the unjustified changes.	There is no any detail explanation about the unjustified changes.

6. Conclusion and Recommendation to the MSG

6.1. Conclusion

- ✓ There is no legal document about company name changing such as Kidane Berihu Building Construction to Kidber Building Construction and Habtamu International Consulting Architects and Engineers PLC to ASPIRE AECOM Architects and Engineer PLC.
- ✓ The variation in each contractors is not clearly justified
- ✓ The construction period to delay more than 80% of the construct scope.

6.2. Issues Recommended for further review

The further recommendation shall be once discusses with procuring entity and check further unseen document and information in order to forward the final recommendation.

Table 17. Disclosure of Procurement Information (44 Items)

<i>DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)</i>				
Phase	Item of disclosure	Construction	Design	Supervision
Procurement information (30 Items)	Date of disclosure	Not available	Not available	Not available
	Contract title	Construction of Dormitory	Planning, Design, Adaptation supervision and contract administration	Design review, supervision and contract administration
	Location	Assosa	Assosa	ssosa
	Procuring entity	Assosa university	Assosa university	Assosa university
	Source for further information	Assosa university project and procurement office	Assosa university project and procurement office	Assosa university project and procurement office
	Date of procurement notice /Invitation date	Selected based on the pervious performance by Addis Ababa Housing construction project	Not Available	For supervision and contract administration (SG consultant) Not available, but for final acceptance contract administration and supervision by Habitamu International consultant, Aug. 6/2016
	Floating period of the procurement notice	Not Available	Not Available	Not Available

	Media used for procurement notice	Direct selection	Direct selection	Addis Zemen
	Method of procurement	Single sources	Single sources	Competitive
	Type of procurement			
	Procurement procedure	Single step	Single step	Two step
	Evaluation criteria	Previous performance	Previous performance	Not available
	Type of contract and project delivery method	Work and Admeasurement	Consultancy services for design lump sum and for supervision and contract administration monthly out put	Consultancy services for design lump sum and for supervision and contract administration monthly out put
	Type and amount of bid security	Unconditional	Unconditional	Unconditional
	Content of any complaint lodged	Not available	Not available	Not available
	Engineer's estimate	Contractors name	Not available	Not available
		United Contractors 19,587,469.02 ETB		
		Radar Contractors 25,565,056.99 ETB		
		Daniel Contractors 25,565,056.99 ETB		

		Kidber Contractors 21,748,910.45 ETB		
	Number of bidders: participated, rejected and declined to submit	Direct selected by Addis Ababa housing construction	Direct selected by ministry of Education based on the pervious performance	Not Available
	Award firm/ contracting firm	United Contractors, Radar Contractors, Daniel Contractors and Kidber Contractors	MH Engineering PLC. Consulting Engineers and Architects	SG consultancy and Habtamu International Consulting Architects and Engineers PLC
	Date of contract award / Acceptance date	Already nominate by Addis Ababa Housing construction	Already nominate by Ministry of Education	Not Available
	Award price/original contract price	United Contractors 19,587,469.02 ETB including VAT 15%	6,832,955.00 ETB with monthly average supervision fee 99,766.33 for 60 month and For design period 3 month lump sum 846,975.00 ETB including VAT 15%	SG consultant for design review, supervision and contract administration price 2,438,000.00 ETB for 24 months including VAT 15% Habtamu International Consulting Architects and Engineers PLC The total cost for final work supervision 414,460 ETB including VAT 15%
		Radar Contractors 25,565,056.99 ETB including VAT 15%		
		Daniel Contractors 25,565,056.99 ETB including VAT 15%		
		Kidber Contractors 21,748,910.45 ETB including VAT 15%		
	Unit contract price (price /km, price /m2)	Cannot be done	Cannot be done	Cannot be done

	Contract security type and amount	United Contractors, Radar Contractors, Daniel Contractors and Kidber Contractors		
	Date of contract signing			
	Contract scope	United Contractors (270 calendar days) Radar Contractors (270 calendar days) Daniel Contractors (270 calendar days), Kidber Contractors (270 calendar days)	63 months	SG consultant for 24 months Habtamu International Consulting Architects and Engineers PLC until final acceptance done
	Description of contract and contract components	Construction of Dormitory	Planning, Design, Adaptation supervision and contract administration	Design review, supervision and contract administration
	Contract administration entity	Assosa University	Assosa University	Assosa University
	Contract duration	United Contractors 17/ April/2015 – Jan 16/2016 Radar Contractors 17 April/2015 – Jan 16/2016 Daniel Contractors 16/ April/2015– Jan 15/2016 Kidber Contractors 17/ April/2015– Jan 16/2016	From March 04/2010- March /2015, in this time only design pard has been done	SG Consultant May 08/2015- May 7/2017 Habtamu International Consulting Architects and Engineers PLC ,the main contract agreement signed on 21 ^{ed} of December 2016.

	Contract start / commencement date	Date of sign the agreement at third weak of April 2015 Commencing date first week of May 2015	March 04/2010	May /2015
	Intended completion date	Completed		
Phase	Item of disclosure	Construction	Design	Supervision
Contract implementation (14 items)	Contract status (ongoing % progress) terminated, completed)	Completed	Completed	The final acceptance On going
	Completion date (revised, projected, actual)	October 31/2016	Not available	The final acceptance On going by Habtamu International Consulting Architects and Engineers PLC
	Changes to contract duration with reason	Price adjustment and variation work	Contractors did not complete the work	Contractors did not complete the work
	Amount of liquidate damage is applied (penalty for delay)	Not available	Not available	Not available
	Contract price (revised, projected, actual) Changes to contract price with reason	United Contractors changes from 19,587,469.02 to 23,273,967.24 ETB including VAT 15% Reason price adjustment and variation	No change	No Change

		Radar Contractors changes from 25,565,056.99 to 29,065,317.84 ETB including VAT 15% Reason price adjustment and variation		
		Daniel Contractors change from 25,565,056.99 to 29,790,928.00 ETB including VAT 15% Reason price adjustment and variation		
		Kidber Contractors change from 21,748,910.45 to 24,376,637.86 ETB including VAT 15% Reason price adjustment and variation		
	Scope at completion	In average all contractors extended the contract scope by an average 220 days	Not available	Depend on the contractors, the scope extended by 220 days
	Changes to contract scope with reason	Reason price adjustment and variation	Not available	Not available

	Total payment effected	United Contractors 23,273,967.24 ETB including VAT 15%	Not available	Not available
		Radar Contractors 29,065,317.84 ETB including VAT 15%		
		Daniel Contractors 29,790,928.00 ETB including VAT 15%		
		Kidber Contractors 24,376,637.86 ETB including VAT 15%		
	Warranty type and description	Not available	Not available	Not available
	Details of Termination if applied	Not available	Not available	Not available
	Safety measures (accident & death)	Not available	Not available	Not available
	Quality of work (very good, good, inferior, impossible to comment)	Not available	Not available	Not available
	Disputed issues & award details	Not available	Not available	Not available

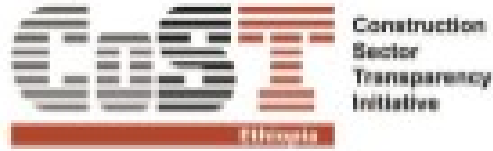
Table 18. Disclosure of Procurement Information (26 Items)

	<i>DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)</i>	
Preliminary project information (18 Items)	Date of disclosure	Data not available
	Project owner	Ministry of education
	Project name	Assosa University/ Dormitory
	Sector, sub-sector	Highre education
	Source for further information	Assosa University
	Project Location	Assosa
	Purpose	Expansion of higher education throughout the country, by giving special consideration where previously have no higher education services by near. This is the reflection of political and administrative decentralization and to bring balanced and equitable growth of the economy.
	Project description	Construction of Assosa university phase four dormitory
	Original project scope	Construction of 11 block dormitory
	Project components	Dormitory
	Environmental impact	Data not available

Land and settlement impact	Data not available				
Estimated budget of the project with breakdown of components	United	Radar	Daniel	Kidane Berihu	
	Lot 5 – Dormitory (Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory (Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory (DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory (Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir(-Tv-207)	
	19,587,469.02	25,565,056.99	25,565,056.99	21,748,910.45	
Funding sources	Government of Ethiopia				
Project budget approval date	Not available				
Project start date (planned, actual)	Contractors name		Sign the agreement	Planned date	Actual date
	1. United Building Contractors		17/ April/2015	20 April/2015	20 April/2015
	2. Radar Building Contractors		17/ April/2015	20 April 2015	20 April 2015
	3. Daniel Building Contractors		16/ April/2015	20 April 2015	20 April 2015
	4. Kidane Berihu Building Contractors		17/ April/2015	April/2015	April/2015
Planned /Original duration for completing the whole project	Contractors name		Planned /Original		
	United Building Contractors		17/ April/2015 – Jan 16/2016		
	Radar Building Contractors		17 April/2015 -- Jan 16/2016		

		Daniel Building Contractors		16/ April/2015– Jan 15/2016	
		Kidane BeriHu Building Contractors		17/ April/2015– Jan 16/2016	
		United	Radar	Daniel	Kidane BeriHu
	Planned /Original cost of the project	19,587,469.02 including 15%VAT	25,565,056.99 including 15%VAT	25,565,056.99 including 15%VAT	21,748,910.45 including 15%VAT
Project information at completion (8 Items)	Cost of the project at completion	23,273,967.2	29,065,317.84	29,790,927	24,376,637.86
	Changes of project cost with reason	Price escalation Additional work	Price escalation Additional work	Price escalation Additional work	Price escalation Additional work
	Project completion date (Revised, projected, actual)	Not revised	Not revised	Not revised	Not revised
	Actual duration for completing the whole project	23,273,967.24 ETB including VAT 15%	29,065,317.84 ETB including VAT 15%	29,790,928.00 ETB including VAT 15%	24,376,637.86 ETB including VAT 15%
	Changes of project duration with reason	Price adjustment (basic item price increment) and variation(additional work)	Price adjustment (basic item price increment) and variation(additional work)	Price adjustment (basic item price increment) and variation(additional work)	Price adjustment (basic item price increment) and variation(additional work)
	Project scope at completion	270 days/ until Jan 16/2016	270 days/until Jan 16/2016	270 days/ until Jan 15/2016	Jan 16/2016 days/ until

	Changes of project scope with reason	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay
	Reference to documents for disclosure upon request (reactive disclosure)	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance
	Contract agreement Completion report	Not available	Not available	Not available	Not available



Construction Sector Transparency Initiative- Ethiopia (CoST-Ethiopia)

Assurance Report on Reactive Disclosed Project and Contract Information of Assosa University Liquid Waste Treatment Plant. (Final Draft)

July 2018

Addis Ababa, Ethiopia

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CoST- Ethiopia Assosa University Liquid Waste Treatment Plant i

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LIST ACRONYMS/ ABBREVIATION

AAHCPO - Addis Ababa Construction Project Office

AP - Assurance Professional

CoST - Construction Sector Transparency Initiative

EIA - Environmental Impact Assessment

ETB - Ethiopian Birr

FDRE - Federal Democratic Republic of Ethiopia

FPPAA Federal Public Procurement and Property Administration Agency

IDS- Infrastructure Data Standard

NMSGEC - National Multi-Stakeholder Group Executive Committee

PE - Procuring Entity

PLC - Private Limited Company

RAP - Resettlement Action Plan

RFP - Request for Proposal

VAT - Value Added Tax

1. Executive Summary

The aim of Construction Sector Transparency Initiative (CoST) is to enhance transparency of procuring Entities (PEs), consultants and Construction companies. This will be done by disclosing to the public by using of Infrastructure Data Standard (IDS) at all stages of the consultancy as well as the construction project cycle, the process shall be done from the initial development of the project to the final completion. The process shall be including both the service and construction contract.

CoST- Ethiopia play a catalyst role in creation of awareness, training, mentorship and follow up in active and reactive disclosure to disclose the procuring entity in FPPAA wave site.

CoST-Ethiopia takes the initiation the disclosure of the services as well as work contract on public property. Based on this, CoST-Ethiopia agree with Assosa University in order to take reactive disclosure Assosa University Liquid Waste Treatment Plant. By considering the agreement between the Assosa University and CoST- Ethiopia, one of the selected project is Assosa Liquid waste treatment plant. During visiting and data collection time in April /2018, the liquid waste treatment plant under construction. During the assessment the following two (2) services and one (1) work contracts:

- 1) SERVICE CONTRACT 1: Consultancy services for Planning, design site adaptation and tender preparation is 3 months and the construction supervision and contract administration is 5 years (60 months). The consultancy services handled by MH Consultant PLC.
- 2) SERVICE CONTRACT 2: Consultancy services for construction supervision and contract administration handled by MH Consultant PLC.
- 3) WORK CONTRACT: Construction Works of liquid waste treatment plant project handled by Beraka Construction

The aim of the project to treat the liquid waste that generate from the Assosa university. During the establishment of University, governments of Ethiopia take all responsibility budgets to implement the services of consultancy and work contract.

Ministry of education during the implementation of thirteen university, GTZ and MH Consultant work together the consultancy services including design, supervision and contract administration. Again the ministry of education start to

plan Ten University to construct, Since the MH Consultant PLC have a good experiences in the thirteen University, Ministry of education automatically select the MH Consultant and negotiate for Ten university Planning, Design Adaptation, Tender Document Preparation, Supervision and Contract Administration. From over all assignment, the consultant deliver only design and tender document for liquid waste treatment plant due to government have no plan to start wok in a given contract period and the consultant executed other assignment.

Ministry of education advertise in Ethiopian herald to out sources supervision and contract administration, two consultant submit the Technical as well as Financial proposal, the MH Consultant award and signed the contract agreement with AU at 30th July, 2013. The consultancy period for one year (12 Months) with the cost of annual supervision cost 692,300.00 ETB including 15% VAT..

The procurement of work contract is direct selection as per pervious work performance. The Ministry of education selects Beraka construction among from the number of contractors. The original works contract price the agreement done between the Assosa university and Bereka Construction signed by 16/02/2014 (09/06/2006 EC) for the work amounts to be ETB 91,474,551.49 ETB (Ninety one million four hundred seventy four thousand five hundred fifty one and forty nine cent)

Regarding the implantation of both the services contract and work contract project, the analysis of the disclosed documents have explain the following facts and figures:-

The method of procurement for selection consultant consultancy service by advertising through Ethiopia Herald, two consultants submit the technical and the financial proposal, the MH Consultant become list bidders. But this information revealed in one letter, the ToR, evaluation criteria as well as evaluation results other related procurement process did not show in procuring entity.

The supervision and contract administration of liquid waste treatment plant held by MH Consultant, the consultant sign the agreement for annual services for 365 days (30th July, 2013 up to 30th July, 2014) with total amount cost 692,300.00 ETB including 15% VAT. Due to the delay in the construction the consultancy services, the time elapsed (Calendar days)1493 days and Percentage of Time Elapsed 204.52%.

The period of construction is 730 days after signing of the contract. No mobilization period has been clearly set in the agreement. The commencement

date 16th February 2014 and original completion date 16th February 2016. The time elapsed (Calendar days) 1493 days and percentage of Time Elapsed 204.52% in February 2018 report by the MH consultant.

The performance of service contracts in light of cost, time and scope performance indicators:-

- ✓ The Services Contract I, there is no any information about the cost, time and scope of performance.
- ✓ It is observed that Service Contract II was not completed, during assessment the significant changes in total amount contract price, contract duration but there is no change in scope because of construction delay.

The performance of work contract in light of cost, time and scope performance indicators:-

- ✓ The contract agreed to execute the work from 16th February 2014 to 16th February 2016 (730 days), but still the work on going and the time elapsed (Calendar days)1493 days and percentage of Time Elapsed 204.52% in February 2018 report by the MH consultant. Construction status during assessment period almost 46.73% and effected payment 42,718,551.02 ETB.
- ✓ Construction quality not good, even the consultant also report poor casting and use poor quality formwork and workmanship. The casted concert highly segregated and the reinforced bar not properly covered by cement concert. This not properly covered reinforced bar highly susceptible to corrosion may causes leakage.
- ✓ There is no change in cost as well as scope during the construction period.

On above explanation the consultancy services and construction of liquid waste treatment plant by Assurance Process, the following issues are recommended upon which the PE shall provide clarifications and explanations:

a) Procurement process of service contract I

The major documents (such as minutes, selection criteria, negotiation letter, award letter, which are important to understand the tender process, the document not available by the PE. The incompleteness of the documents make more difficult by the PE to deliver to the Assurance Professional. Assurance Professional face a problem to assure the services contract I, that make the

services contract I become incomplete. Only the available document is contract agreement.

b) Procurement process of service contract II

The same to the services contract I, the contract II, the major documents (such as advertisement on the newsletter, registration who purchase and submit tender document, tender evaluation criteria and result, tender evaluation report, Technical and Financial/combined result) which are important to understand the tender process, the documents not available by the PE. The incompleteness of the documents make more difficult by the PE to deliver to Assurance Professional. Assurance Professional faces a problem to assure the services contract II that make the services contract II become incomplete. Only the available document is contract agreement.

c) Procurement process of work contract

The procurement process of work contract single selection process based on the contractor previous performance in the Ministry of Education Project. In the PE documents such as minutes, selection criteria, negotiation letter, award letter, which are important to understand the tender process, the document not available in the PE. The incompleteness of the procurement documents make more difficult by the PE to deliver to the Assurance Professional. Assurance Professional face a problem to assure the work contract to understand the process.

d) Implementation of service contract I &II

There is no any document available during the assurance period by the PE that tale the change of scope in the contract period.

e) Implementation of work contract

Even though the execution of the contract very delay and 204% time elapsed, there is no any change on the contract scope.

f) General

- The AP try to get all necessary procurement document with cooperation of PE responsible person but during assurance period only contract agreement available for both service contract and work contract. the procurement process restricted, and no competition. The contractor still did not complete the work, even more than 200% time elapsed, the current states not more than 47%.

- There is no award letter, the offering of price before arriving the final consensus.

2. Introduction

The construction sector plays catalyst role in supporting social and economic development of a country and makes a major contribution to the economic growth and poverty reduction of a nation. However, mismanagement and corruption during the study, planning and implementation of construction projects a bottleneck for expected social and economic benefits and changes.

This study report contain seven chapter, chapter one Executive Summery, chapter two introduction, chapter three disclosed of project information, chapter four disclosure of procurement and contract information for services contract, chapter five disclosure of procurement and contract information for work contract, chapter six conclusion and Recommendation to the MSG and chapter seven glossary.

The objective of the assurance process is to find the actual information and activities in among employer, consultant and contactors. The Construction Sector Transparency Initiative (CoST) is a multi-stakeholder initiative designed to increase transparency and accountability in the construction sector. The aim of CoST is to enhance the transparency of the Procuring Entity (PEs) and construction companies by disclosing to the public information of the construction projects at all stages of the project cycle, from initial identification of the project to the final completion. The transparency and accountability in public construction sector benefits both the national as well as international contractors and consultants, this make the procurements process more competitive and may get faire price with acceptable quality and services.

A number of projects associated with housing construction, water development, road construction, etc. have been identified by NMSG of CoST-Ethiopia. This report is therefore produced for construction of liquid waste treatment plant in Assosa University, and it is prepared by the Assurance Professional, Demelash Betemariam.

Expansion of education is one of the major government agenda in an effort of attaining rapid socio-economic development in the country through Growth and Transformation Plan (GTP). To this end the government is expanding educational services, among other things, by opening new higher education institutions in the various corners of the country. Assosa University is among the 10 newly

established universities for which constructions are undertaken for the purpose of liquid waste treatment.

2.1 Objectives of the Assurance Process

As described in the introduction part of this report, the Procuring Entities (PEs) are required to release information on the selected projects. In order to ensure the authenticity and acceptability of the information released by the Procuring Entities, it has to be analyzed and verified by experts of Assurance Professional who are appointed by the National Multi – Stakeholder Group Executive Committee (NMSG-EC).

The objective of the assignment is to evaluate the process undertaken by the procuring body and the level of transparency and governance of the on-going or accomplished projects. In this regard, the Assurance Professionals has two tasks: in the first place, they collect information and verify that the Infrastructure Data Standard (IDS is both complete and accurate, and in the second place, the AP analyzes the disclosed data and interprets it so that the report will easily be understandable by the wider public.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete, accurate, and it is the latest version available by the time the report has been prepared.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete, accurate, and it is the latest version available by the time the report has been prepared.

The Quality Assurance Professional (QAP) has been appointed to achieve the following core objectives of the assurance process:

1. To assure the accuracy and completeness of IDS disclosures by the PE;
2. To summarize extent and accuracy of information released for the selected CoST project;
3. To analyse disclosed and demonstrate data in order to make informed judgments about the cost, time and scope aspects of the CoST Project; and
4. To organize and produce reports that are clearly intelligible to the non-specialist with plain language, outlining the findings regarding the implementation process and highlighting any cause for concern that analysed information reveals on CoST Project.

The challenges of the assurance process:

- ✓ Some of the documents such as: contract document, bank guarantee, action plan, environmental impact assessment and mitigation measures during and after construction of projects are not fully available at the procurement entity;
- ✓ Newly joined professionals of the procuring entity have little information about Phase Four Project mainly because of absence of some important documents pertaining to the project;
- ✓ Documents pertaining to the project are not properly handled as a result they are found in a scattered manner and are not easily accessible;
- ✓ Because of absence of all the necessary documents, we could not justify or understand why time extension was given to the contractors

3. Disclosed of project information

3.1 Project overview

An overview of the Assosa liquid waste treatment plan project is disclosed under the *DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)* and *DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)* attached in Table 3 and 4. The disclosed information indicates that the Assosa liquid waste treatment plan project is located in Binshangule Gumize Regional state, north western part of Assosa city.

The Liquid waste treatment plant construction project is not completed during the study period. Detailed engineering design and tender document preparation for the project were prepared by MH Consultant and subsequently submitted to Ministry of Education (MoE). The MoE nominate MH Consultant PLC again to manage the supervision and contract administration. During the study period also the supervision and contract administration has been undertaken by MH Consultant. The government of FDRE represented by MoE had allocated sufficient budget to finance payments for the service and work contracts forming parts of the implementation of the project of which important features are given in Table 1. below.

Table 1. Project description

No	Project identification	Description
1	Project name	Assosa University , Liquid Waste Treatment Plant
2	Project scope	Construct modern liquid waste treatment plant within 730 days
2	Project purpose	To treat liquid waste that generate from AU
	Undesired impacts of the project	There is no as such significant impact during the construction but due to construction delay, the existing liquid waste pond over flow to the downstream water body.
	Source of funding	The Government FDRE
	Original project cost	✓ Service contract I 6,832,955.00 ETB including 15% VAT. ✓ Service contract II 692,300.00 ETB including 15% VAT

		✓ Work contract 91,474,551.49 ETB including 15% VAT
	Original project duration	✓ Service contract I 63 months (for establishment of AU) ✓ Service contract II one year/ 365 days ✓ Work contract two year/730 calendar days
	N.B the input of Consultancy services I for liquid waste treatment plant only design and tender document preparation, the consultancy services I highly engage in establishment of the AU in other consultancy activity such as dormitory building , meeting hall, dining hall, administration offices etc	

. The assignment of the project includes the following activities.

- ✓ Service Contract I, Planning, design adaptation, tender document preparation, MH Consultant;
- ✓ Service Contract II, Supervision and contract administration handled by MH Consultant
- ✓ Work Contract Work contract, Bereka Construction

The MH Consultant is in charge of undertaking consultancy service in planning, design adaptation and tender document preparation; and the consultancy service period is 3 months while the supervision and contract administration is for 60 months. The consultant has undertaken his duty and responsibility within the given time frame and as a result he properly managed his assignment before the commencement of liquid waste treatment plant. In this respect, the planning, design adaptation, supervision and contract administration by MH consultant has successfully been done during the establishment of Assosa University.

After receiving the design and tender document by Assosa University from MH consultant, the MoE advertise for supervision and contract administration consultancy services. Even though the advertisement date and newspaper not available in the PE. The Ministry award the MH consultant for supervision and contract administration. The MoE transfer the responsibility to Assosa University both the consultancy and construction to the Assosa University.

The period of construction is 730 days after signing of the contract. No mobilization period has been clearly set in the agreement. The commencement

date 16th February 2014 and original completion date 16th February 2016.

3.2 Scope of the project

The scope of the project to construct liquid waste treatment plant within duration of the project is 730 days after signing of the contract.

3.3 Socio economic benefits (purpose) of the project

The project could have positive socio-economic impacts in many respects: in the first place it solves the pollution problem on the downstream water body. The other impact is that the project could create temporary and permanent employment opportunities for residences of the town and skill transfer. This is to say that temporary jobs could be created for some job seekers during the construction period. On the other hand permanent jobs would be created for those who could be engaged in operator, electromechanical professional, sanitary and security services in the university.

Expansion of tertiary education throughout the country while placing special emphasis on educational services in disadvantaged regions and remote areas to achieve the important objectives of political and administrative decentralization and balanced and equitable growth of the economy. During construction there also a job opportunity and knowledge transfer for local community.

3.4 Undesired impacts of the project

There are not as such significantly observed undesired impacts of the project during construction. However, one thing that should be worth mentioning is that there could be some environmental impacts of the project during the construction period because some construction materials, in the form of cart away, could be dumped around the vicinity of the university so that it could adversely affect the environment resulting in siltation on rivers and streams during rainy seasons. On the other hand dust from construction sites could also adversely affect the environment and hence the community during construction period.

During the study period construction not completed and too delays as compare completion date, currently the university prepares simple pond structure to dispose the liquid waste. During rainy time the liquid waste overflow from pond and drain towards downstream and pollute the water body and that may affect the downstream community, domestic animals, wild life fauna and flora.

3.5 Sources of funding and project cost

Assosa University in behalf of Government of Ethiopia.

3.6 Project duration

The commencement date 16th February 2014 and original completion date 16th February 2016. The time elapsed (Calendar days)1493 days and percentage of Time Elapsed 204.52% in February 2018 report by the MH consultant.

4. Disclosure of procurement and contract information for consultancy service.

4.1 Disclosures of procurement information

4.1.1. Overview of the procurement process

The procurement processes of consultant and contractors selection process for liquid waste treatment plant construction data not available, during the study period selection criteria, invitation letter, minutes of negotiation and selection not available. The MoE tries to find the some procurement document but due to poor documentation, the necessary document not available during study period. The service contract I only engage in design and tender document preparation. This contract spends the consultancy services I during the establishment of AU, did not engage in supervision and contract administration. The services contract II engage in supervision and contract administration, signed the agreement for one year, but without any extension paper from PE, since the construction below 50% and the consultancy give services during the study period also.

The service contract II signed the agreement with AU at 30th July, 2013. The consultancy period for one year (12 Months) with the cost of annual supervision cost 692,300.00 ETB including 15% VAT.

4.1.2 Verification of the disclosed procurement information

4.1.2.1 Completeness of the disclosed procurement information

Even though the selection process was negotiation for services contract I, there is no any document about the selection criteria, offered price by the consultant, minutes and award letter, this is also the same as in service contract II. The only document available the contract agreement, this make incomplete disclosed procurement information. The unavailability of document become more affects to disclose other procurement information such as:

- Accuracy of the disclosed procurement information
- Analysis of the disclosed procurement information
 - ✓ Compliance of the procurement process with rules of advertisement
 - ✓ .Efficiency of the procurement process (Timeliness)
 - ✓ Fairness of the procurement rules on participation
 - ✓ Transparency of the tender's evaluation process
 - ✓ Objectivity the tender evaluation and the award criteria
 - ✓ Competitiveness of the award price

4.2 Disclosure of contract information

4.2.1 Overview of the contract

The contracts services are two phase, the original contract price 6,832,955.00 (Six million eight hundred thirty two thousand and nine hundred fifty five) ETB for sixty month for planning, site adaptation, supervision and contract administration. This contract over all during the university establishment and the consultant give services for all construction. Due to complexity and request high skill manpower for consultancy services of liquid waste treatment plant, the university advertises consultancy services. Even though other procurement and evaluation document not available, the Assosa University sign the agreement with MH consultant PLC to supervise and contract administration of waste water treatment plant again for one year consultancy services but due to construction delay still the consultancy give services in supervision and contract administration of liquid waste treatment plant with the cost of annual supervision cost 692,300.00 ETB including 15% VAT. During the construction period, there is no variation, price adjustment and supplementary work. The constructions run without any change from the original agreement.

4.2.2 Verification of the disclosed contract information

During the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information.

The procurement Entity has been disclosed the contract information in contract agreement, the contract agreement document between the AU and MH Consultant PLC only available.

4.2.3 Analysis of the disclosed contract information

The analysis of the disclosed contract information and the consequent interpretation in terms of the changes and justifications of changes observed in connection to contract price, duration and scope are made hereunder.

4.2.3.1 Issues related to contract price

There is no change contract price for contractor and consultant from original contract price.

4.2.3.2 Issues related to the contract duration

The contract consultancy duration extend for more than 3 years due to delay the

construction of liquid waste treatment plant. The service contract II signed the original agreement with AU at 30th July, 2013. The consultancy period for one year (12 Months) with the cost of annual supervision cost 692,300.00 ETB including 15% VAT. During this period there is no any price change until assurance professional study period.

4.2.3.3 Issues related to contract scope

The contract scope did not change even though the construction too delays and the delay did not justified by procurement entity.

5. Disclosure of procurement and contract information for contract work

5.1 Disclosures of procurement information

5.1.1. Overview of the procurement process

There is not enough information about the procurement processes in the contractor and consultancy services procurement process. One letter that was sent from MoE to AU, the contractor as well as the consultancy service I through negotiation, whereas the services contract II through open bid. The MoE tries to find the selection criteria for consultancy services and work contract but the necessary document was not available during study period.

5.1.2 Verification of the disclosed procurement information

During the assurance process, a verification work has been carried out to validate the completeness and accuracy of the disclosed contract information. The necessary documents are not available in procuring entity. This becomes questionable to define completeness and accuracy of the disclosed procurement information. The unavailability of document becomes more affects to disclose other procurement information such as:

- Accuracy of the disclosed procurement information
- Analysis of the disclosed procurement information
 - ✓ Compliance of the procurement process with rules of advertisement
 - ✓ Efficiency of the procurement process (Timeliness)
 - ✓ Fairness of the procurement rules on participation
 - ✓ Transparency of the tender's evaluation process
 - ✓ Objectivity the tender evaluation and the award criteria
 - ✓ Competitiveness of the award price

5.2 Disclosure of contract information

5.2.1 Overview of the contract

The original contracts signed between Assosa University and Bereka Construction with the amount of 91,474,551.49 ETB. During the study period the construction states 46.7%, the root causes of delay did not clearly mention in the consultant report. Even though the construction period delays almost more than 200% elapsed time, contractor did not request any price adjustment as well as contract extension time. In the consultant report casting of concrete and formwork made by poor workmanship, also during study period, AP also confirm that the construction takes place on site, especially the concrete work and formwork use by the contractor very poor workmanship. This becomes may cause a serious

problem during services period, some the problem segregated concrete cast and properly uncovered reinforced bar may easily corrode and causes leakage.

5.2.2 Verification of the disclosed contract information

5.2.2.1 Completeness of the disclosed contract information

The disclosed contract information not fully available during study period, it is impossible to verify whether the disclosed contract information complete or no. only the available document contract signed document. There is no award letter.

5.2.2.2 Accuracy of the disclosed contract information

The disclosed contract information not available during study period, it is impossible to verify whether the disclosed contract information accurate or no.

5.2.3 Analysis of the disclosed contract information

5.2.3.1 Issues related to contract price

There is no change contract price from original contract.

5.2.3.2 Issues related to the contract duration

The contract period of construction duration too delay 204% elapsed. There is no any written letter available during study period either the consultant or the procurement entity to justify the delay of construction.

5.2.3.3 Issues related to contract scope

The contract scope did not change even though the construction too delays. The delay did not justified by either procurement entity or consultant.

6. Conclusion and Recommendation to the MSG

6.1 Conclusion

- ✓ The construction period to delay more than 200% of the scope and the work excited around 46.7%.
- ✓ The root cause of construction delay not clearly documented.
- ✓ Clarification and confirmation from the procuring entity are in the Table 3,4 and 5, data not available and inscribed in the report.
- ✓ No need any clarification from MSG.
- ✓ The final conclusion will be forward after the procurement entity forward the responses in the study report (IDS).

6.2 Issues Recommended for further review

The further recommendation shall be once discusses with procuring entity and check further unseen document and information in order to forward the final recommendation

Table 2. DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)

<i>DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)</i>				
Phase	Item of disclosure	Construction	Design	Supervision
Procurement information (30 Items)	Date of disclosure	Not available	Not available	Not available
	Contract title	Construction of liquid waste treatment plant	Design and tender document preparation	Supervision
	Location	Assosa	Assosa	Assosa
	Procuring entity	Assosa university	Assosa university	Assosa university
	Source for further information	Project construction and procurement office	Project construction and procurement office	Project construction and procurement office
	Date of procurement notice /Invitation date	Not available	Not available	Not available
	Floating period of the procurement notice	Not available	Not available	Not available
	Media used for procurement notice	Direct invitation	Direct invitation	Not available
	Method of procurement	Restricted bid	Restricted bid	Competitive
	Type of procurement	Single selection	Single selection	Open Bid
	Procurement procedure	Not available	Not available	Not available
	Evaluation criteria	Not available	Not available	Not available

Type of contract and project delivery method	Admeasurement	Lump sum for design and monthly payment for supervision and contract administration	Monthly payment for supervision and contract administration within annual contract amount
Type and amount of bid security	Unconditional, from Addis International Bank, with amount of 11,341,264,.41 Birr up to June 19/2016, after this no document available whether have bank guarantee or no	Not available	Not available
Content of any complaint lodged	No documents available about complaint.	No documents available about complaint.	No documents available about complaint.
Engineer's estimate	Not available	Not available	Not available
Date of bid opening	Not available	Not available	Not available
Number of bidders: participated, rejected and declined to submit	Single selection	Single selection	Not available
Award firm/ contracting firm	Beraka construction	MH Engineering PLC- Consulting Engineers and Architects	MH Engineering PLC- Consulting Engineers and Architects
Date of contract award / Acceptance date	16 Feb/2014	21/03/2002EC	30/July/2013

Award price/original contract price in ETB	91,474,551.49 including VAT 15%	6,832,955.00 including VAT 15% (establishment the AU)	692,310.00 including 15% VAT. For one year , monthly 57,692.5
Unit contract price (price /km, price /m2)	Various item and measurement	Not measurable to define in unite rate	Not measurable to define in unite rate
Contract security type and amount	Unconditional from Addis International Bank S.C with amount of 11,341,264,.41 ETB and extend till June 19/2016	Not available	Not available
Date of contract signing	16 Feb 2014	04/ March2010	30/July/2013
Contract scope	730 days	63 months	One year
Description of contract and contract components	Construction of liquid waste treatment plant.	Planning, design, adaptation, contract administration and supervision.	Design review, supervision and contract administration
Contract administration entity	MH Engineering PLC- Consulting Engineers and Architects	Assosa university	Assosa university
Contract duration	16 Feb 2014 up to 16 Feb 2016	04/ March2010 up to June /2015	30/July/2013 up to 30 July/2014
Contract start / commencement date	16 Feb 2014	04/ March2010	30/July/2013
Intended completion date	Ongoing (46.7% only completed)	completed	Ongoing

Table 3. DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)

Phase	Item of disclosure	Construction	Design	Supervision
Contract implementation (14 items)	Contract status (ongoing % progress) terminated, completed)	On going	Completed	On going
	Completion date (revised, projected, actual)	Not yet completed, below fifty percent	On contract period completed	Due to delay on construction, the design review, supervision and contract administration not complete.
	Changes to contract duration with reason	No change but due to contractor week performance currently 46.7 % and Time elapsed (Calendar days) 1493 and Percentage of Time Elapsed (204.52%)	Completed	Due to extreme delay, the consultant also still perform its supervision and contract administration
	Amount of liquidate damage is applied (penalty for delay)	Penalty not applied , no liquated damage	No need penalty	No need penalty
	Contract price (revised, projected, actual)	Original contract not revised	Original contract not revised	Original contract not revised

Changes to contract scope with reason	Not available	No change in scope	No change in scope
Scope at completion	Total Duration 730 days Commencement Date, 16 th February 2014 ,Original Completion Date ,16 th February 2016	Three months design and 60 month for construction supervision and contract administration. Now the contract complete.	One year with extension of contract, on going
Change to contract price with reason	No change in contract price	No change in contract price	No change in contract price
Total payment effected	42,748,553.41 with VAT from total 91,474,551.46	6,832,955 ETB effected	3,461,500.00 in five year (692,300.00 ETB per year effected
Warranty type and description	Not available	Not available	Not available
Details of Termination if applied	Termination not applied	Termination not applied	Termination not applied
Safety measures (accident & death)	Not available	Not available	Not available
Quality of work (very good, good, inferior, impossible to comment)	Not good, even the consultant also report poor casting and formwork because of poor work man ship in form work preparation	Not available	Not available
Disputed issues & award details	Not available	Not available	Not available

Table 4. DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)

<i>DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)</i>		
Preliminary project information (18 Items)	Date of disclosure	No data available
	Project owner	Ministry of education
	Project name	Assosa University/ Waste water treatment plant
	Sector, sub-sector	Higher education
	Source for further information	Assosa University
	Project Location	Assosa Town
	Purpose	Expansion of higher education throughout the country, by giving special consideration where previously have no higher education services by near. This is the reflection of political and administrative decentralization and to bring balanced and equitable growth of the economy.
	Project description	Construction of Assosa university waste water treatment plant
	Original project scope	Construction of waste water treatment plant
	Project components	Waste water treatment plant
	Environmental impact	Information not available/ INA
	Land and settlement impact	Information not available/INA

Estimated budget of the project with breakdown of components	Information not available/ INA			
Funding sources	Government of Ethiopia			
Project budget approval date	Information not available/ INA			
Project start date (planned, actual)	Consultant Name	Sign the agreement	Planned date	Actual date
	MH Engineering PLC- Consulting Engineers and Architects contract 1	March 04/2010	March 20/2010	March 20/2015
	MH Engineering PLC- Consulting Engineers and Architects contract 2	30 July/2013	One year contract	Construction not complete
	Contractors name	Sign the agreement	Planned date	Actual date
	Beraka construction	16/02/2014	16 th Feb/2014	Construction not complete
Planned /Original duration for completing the whole project	Consultant Name	Planned /Original		
	MH Engineering PLC- Consulting Engineers and Architects	Time based contract sign, after ministry of education transfer responsibility to Assosa university, starting from 30 th July,2013 one year contract period		
	Contractors name			
	Beraka Constructors	16 th Feb/2016		
	MH Engineering Plc	Beraka Constructors		

	Planned /Original cost of the project	The planning, design, supervision and contract administration for both Assosa and Hosana University handled by MH consultant with the amount 6,832,955 ETB. The Ministry of education Transfer responsibility to Assosa University by the date 30 th July,2013 for the supervision and contract administration of waste water treatment plant with monthly payment 57,691.67 , for one year contract, still the consultant supervise and contract administrate liquid waste treatment plant.	The original 91,474,551.49 ETB
Project information at completion (8 Items)	Cost of the project at completion	Not completed	Not Completed
	Changes of project cost with reason	Not change	Not Change
	Project completion date (Revised, projected, actual)	Time based contract, renewable annually	No information about Revision or extension,
	Actual duration for completing the whole project		There is a time fix for completing the project, while the current time of elapsed more than 200% but the construction statues not more than 47%
	Changes of project duration with reason		Information not available, but the project office said foreign currency problem
	Project scope at completion	Not completed	Not completed

	Changes of project scope with reason	No change at scope	No change at scope
	Reference to documents for disclosure upon request (reactive disclosure)	Contract agreement document	Consultant report No and
	Contract agreement Completion report	Project not completed	Project not completed



CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

ETHIOPIA (COST – ETHIOPIA)

ASSURANCE LEVEL REPORT ON REACTIVE DISCLOSURE OF PROJECT
PROCUREMENT AND CONTRACT INFORMATION:-

DEBRE TABOR UNIVERSITY: CYT AND DHB PROJECT

By: Endale Bewketu (Assurance Professional)

SEPTEMBER, 2018

ADDIS ABABA, ETHIOPIA

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GLOSSARY

ABBREVIATIONS/ACRONYMS

A/E	Architectures and Engineers
ANRS	Amhara National Regional State
ANRSHDPO	Amhara National Regional State Housing Development Project Office
AP	Assurance Professional
CoST	Construction Sector Transparency Initiative
CYT	Court Yard Type
DHB	Department Head Building
DTU	Debre-Tabor University
E.C.	Ethiopian Calendar
FDRE	Federal Democratic Republic of Ethiopia
ETB	Ethiopian Birr
IDS	Infrastructure Data Standard
MoE	Ministry of Education
MoWUD	Ministry of Works and Urban Development
NMSG-EC	National Multi-Stakeholder Group Executive Committee

PPAA	Procurement & Property Administration Agency
SDT/F	Standard Disclosure Template/Format
TR	Terms of Reference
UCBP	University Capacity Building Program
VAT	Value Added Tax
VOs	Variation Orders

EXECUTIVE SUMMARY

Construction Sector Transparency Initiative (CoST) aims to enhance the Transparency and Accountability of public-funded construction projects. The CoST's expectation is to improve transparency & accountability which can lead to better management facilities & controlled use of public projects and also desirous to disclose accurate and complete disclosed information on selected sample projects during the capacity building training. To ensure that the information released is both accurate and available in a form that can easily be understood by stake holders, it would need to be verified and analyzed by the expert. In order to achieve this crucial task, NMSG-EC has appointed an Assurance Professional (AP) who is responsible to provide the professional expertise on data collection and verification process of reactively disclosed information. AP is also responsible to prepare an intelligible report on accuracy and completeness of the disclosed information by highlighting the main findings and causes of concerns. Thus, AP has taken responsibility to carry out the above mentioned task as stipulated in the contract agreement.

Description of the project and contracts included in the report are described as follows:

Date of Disclosure and Assurance: April 25, 2018 G.C.

Name of Assurance Professional: Endale Bewketu

Project Name: Debre CYT and DHB

Project Location: Project is found in Amhara National Regional State, on the Eastern Part of Historical Town ``Debre-Tabor`` at about 4 (four) kms away from the center of the town and it is located at 11° 51' North of Latitude & 38° 01' East of Longitude.

Project Owner: Debre Tabor University

For the execution of Infrastructure Project, the following contracts have been involved:

Contract 1: Consultancy Service for Design Adaptation and Construction Supervision. **Consultant:** MH Engineering PLC Consulting E/A:

Date of Contract Agreement: on May 15, 2009 G.C. between MoE & MH Engineering PLC Consulting E/A.

Contract 2: Consultancy Service for Contract Administration and Construction Supervision.

Consultant- Ultimate Plan PLC Consulting A/E (Contract agreement made on 25th September, 2009 G.C. between MoE & Ultimate Plan PLC Consulting A/E).

Contract 3: Works (CYT & DHB Buildings).

Contractors: Fourteen (14) different contractors from ARHDPO have been involved.

The Contract Agreements were made between FDRE- MoE, Ten (10) New Universities Construction Project Office and fourteen (14) different contractors from Amhara Regional State Housing Development Program Office have been involved in the construction of Administrative & Student Dormitories. Contract Agreement dates were different.

The service contract for Design Adaptation and Construction Supervision (**Contract 1**) of Debre-Tabor University (which is among Ten New Universities) was issued to MH Consulting Engineers PLC based on the participation of previous 13 Universities Preliminary and Detail Design. For consultancy service of Contract Administration and Construction Supervision Works (**Contract 2**), only two (2) consultants were evaluated for their technical and financial proposals. AP has identified that different Supplementary Contracts such as *Outdoor Sport Facilities and phases I and II Infrastructures Works (Roads, Sanitary, and Electrical Works, for the contract prices of 20, 709, 372.35 million Birr & 14,250,582.21 million Birr including VAT respectively)* have been given repeatedly to the same contractors in addition to the main contract (which was **100,880,626.32 million Birr**). During the overall assessment of documents issued by MoE, Ten New Construction Project Office, AP has identified the causes of construction time delays, due to the unavailability of consultant's construction supervisors on project site & problems in providing job orders to the contractors.

Assurance Professional (AP) has faced some challenges during the first trip of data collection time. In the late time, Later on Especially of obtaining necessary project information and required data (such as *Feasibility Studies & Engineering Cost Estimate Documents, Bid Invitation & Tender Evaluation Documents for consultancy service contracts 1 & 2, Contract Agreement Document for CTY & DHB Contractors, Scope or Contract Change Information, Previous Work Progress Reports*). It is recalled that CoST-Ethiopia has written a letter on 23/11/2010 E.C. to Debre Tabor University in order to cooperate in providing the required documents depending on the basis of AP's request. Accordingly, DTU has responded on 12/09/2010 E.C. that some main documents were not available in the university; however, DTU has given information where the required documents could be available and found. This will be discussed in detail in the next sections.

1. INTRODUCTION

1.1 Background

CoST Ethiopia is principally about increasing transparency through the release of project information into the public domain. But it is recognized that the disclosure of this information may not be sufficient on its own to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. To ensure that the information released is both accurate and available in a form that can easily be understood by stakeholders, it would need to be verified and analyzed by the experts.

■ The Overall Content of the Report:

The CoST-Ethiopia is aimed to know the transparency and accountability issues on public-financed Projects. In order to achieve this aim, the National Multi-Stakeholder Group-Executive Committee (NMSG-EC) has appointed an Assurance Professional (AP), who is responsible to carry out the Reactive Disclosure Information on publicly-financed construction projects. In order to perform this task, two sample projects had been selected from DTU (the **Infrastructure and CYT and DHB Projects**). Under this part, DTU's CYT & DHB Project will be discussed.

- AP is responsible to carry out the required task according to the terms of reference (ToR) stipulated in the contract agreement by collecting adequate and relevant documents and information from PE's and where necessary from consultants and contractors in collaboration with the assigned PE's staffs. To do this AP has traveled to the project site on Tuesday March 17, 2018 G.C. During the first project site trip, AP has made short and brief discussions with the contemporary President of DTU and assigned staffs about the overall objectives of CoST-Ethiopia and responsibilities of AP. President of DTU has shown an enthusiastic willingness to cooperate in providing or issuing all necessary documents and information required, and he has directed the letter written by CoST-Ethiopia, the letter asking DTU's cooperation in providing all essential documents and information necessary for Public Disclosure Process to the assigned AP. Based on the available documents and information obtained, AP will verify and analyze the

project information for its accuracy and completeness, and produce reports that are clearly intelligible to the non-specialists by highlighting main causes of concerns. Basically, conducting accurate and complete disclosed information on selected sample projects will rely on the availability of adequate and relevant documents from respective Procuring Entities and if possible, from consultants and contractors.

■ **Objectives of Reactive Disclosure and Assurance Services:**

- ☞ To verify the accuracy and completeness of Infrastructure Data standard (IDS) as outlined in the reactive disclosure information on the sample CoST projects,
- ☞ To analyze disclosed and verified data in order to make informed judgments about the cost, time and scope aspects of the CoST Project, and
- ☞ To produce reports that are clearly intelligible to the non-specialist, outlining the findings in regard with the cost and quality of the infrastructure and highlighting any cause for concern that analyzed information revealed on CoST Projects.

■ **Activities of Reactive Disclosure and Assurance Services:**

- ☞ Collects project information from the PEs (in close collaboration with staffs from PEs) and, where necessary also collects information from consultants and contractors on selected projects in order to insure the publication of IDS as outlined in the Reactive Disclosure Standards of CoST-Ethiopia,
- ☞ Verifies the accuracy and completeness of the information collected,
- ☞ Makes site visit to have visual impression of the project and continues to make additional verifications as required,
- ☞ Produces reports that are clearly intelligible to the non-specialist, highlighting the main findings and causes of concern analyzed information reveals,
- ☞ Makes presentation to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the reports accordingly.

- **Some challenges that AP has faced during data collection Process:** According to the work schedule, the first field trip to the project site was on **Tuesday March 17, 2018**. On the occasion, the short and brief discussions were held with DTU President and assigned staffs

about the overall objective of the AP's assignment. , AP has been faced the following challenges during the data collection and verification process of reactive disclosure information:

- ✓ Unable to have a contact and communication with DTU's Construction Project Coordinator,
- ✓ Problems in obtaining adequate and relevant documents and information,
- ✓ Existence of limited cooperation in providing available documents and relevant information.

Table 1 List of Documents obtained or provided by MoE and DTU.

Serial No.	Issued Documents	Procuring Entities		Remark
		DTU	MoE	
1	Contract Agreement document for Infrastructure Works (for Contract-3)	✓	✓	
2	Payment Certificates (1-14) of Infrastructure Works	✓	✓	
3	Contract Agreement Documents for 14 contractors who were involved in the construction of CTY & DHB		✓	Out of 14 contractors who were involved, only for 2 contractors of contract agreement documents were issued by DTU.
5	Supplementary work contract documents & outdoor sport facilities documents	✓	✓	
6	Variation Orders No. 2 & No.3 for contractors of Infrastructure Works	✓	✓	
7	Contract Agreement document for Consultancy service of Contract Administration & Construction Supervision work		✓	This document exists in the DTU office, but we were unable to provide the document because its size was huge.
8	Technical & Financial Evaluation Process Document (unofficial document) for the service of Contract Administration & Construction Supervision Works		✓	
9	Selection information (unofficial Document) for consultancy Service of Design Adaptation & Construction supervision –Contract-1		✓	
10	Progress report	✓		

11	Audit Report Document		✓	
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Table 2 List of missing documents which were not issued.

Ser No.	Required Documents	DTU's response about the Documents	MoE's responses about Documents	Remarks
1	Feasibility Study Report Document	This document may be available in MoE, but not available in our office.	Feasibility study was not carried out for the implementation of 10 new universities including DTU.	<i>AP has requested Ultimate Plan consulting A/E for the relevant documents in relation to DTU, unfortunately the firm could not cooperate</i>
2	Bid Invitation & Tender Evaluation Documents for consultancy services (contracts 1 & contract 2)	Bid Invitation & Tender Evaluation processes for consultancy services 1 & 2 were performed and evaluated by MoE, thus the documents can be obtained from MoE.	Official Bid Invitation & Tender Evaluation documents are available in our deadly storage room. There were no assigned documentation workers who are responsible and provide the required documents.	
3	"Performance Directive Document" that was used the selection process of Infrastructure Contractor & CYT & DHB contractors.	The selection processes of contractors were based on their previous performances obtained during their participation in the housing development program, and the contract was given to the contractors on fixed price basis, but the so called <i>Performance Directive document used to select contractors is not found in our office.</i>	The Performance Directive Document was prepared by the Addis Ababa Housing Development Agency and distributed to the regional Housing Development Offices, thus the document may be available Offices of Agencies.	
4	Anticipated scope changes and contract prices changes	There were no any anticipated scope and contract price changes during CYT & DHB construction activities.	No information concerning project scope and contract price changes during the DTU project constructions	
5	Documents related to Engineering Cost Estimates	Engineering Cost Estimate was prepared by MH consulting A/E, after it has got an acceptance from MoE, and the document was distributed to the contractors on fixed price basis, & the document can be obtained from MoE & MH Consulting Plc.	Engineering cost estimate was prepared by responsibility of Addis Ababa Urban Development Office, and may be available there.	

2. Reactive Disclosure of Project Information

2.1 Project Overview

The government of the Federal Democratic Republic of Ethiopia (FDRE), in its five years Development and Economic Growth Plan (Sustainable Development and Poverty Reduction Program, 2002-2007), has considered the Education Sector Program as a Cornerstone of the Capacity Building, Poverty Reduction and Sustainable Development Strategy. In addition to ensuring access to elementary education for all citizens, the education sector program aims to expand secondary and tertiary education throughout the country. Special Emphasis is placed on expansion of educational services in underprivileged regions and remote areas to achieve the important objectives of political and administrative decentralization, and balanced and equitable growth of the economy. It is primarily in line with this strategy that the construction of Ten (10) New Universities under UCBP has been envisaged and being implemented.

Debre-Tabor University is among the construction of Ten (10) New Universities to be implemented under five years Development and Economic Growth Plan. DTU was established in 2008 G.C., and its foundation had laid on the eastern part of the Historic Town Debre-Tabor at about 4 (four) Kms away from its center on 126 hectares of land. This area was previously owned by 268 farmers to whom nearly 10.5 million Birr was paid for compensation and rehabilitation. Among the 268 farmers, only 10 ceased farming and engaged in other occupations to earn their living. It was attempted to construct a total of 134 buildings out of which in the first round 35 buildings, in the second round 32 and in the third round 32 were successfully planted while the final 35 are on construction in 2007 fiscal year. Debre-Tabor University is found on the eastern part of historical Town ``Debre-Tabor`` at about 4 (four) kms away from the center of the town and it is located at 11° 51' North of Latitude & 38° 01' East of Longitude.

2.2 Scope of the Project

Debre Tabor University was among Ten (10) New Universities which was established in 2008. It was attempted to construct a total of 134 buildings out of which infrastructure project includes all works of Road, Sanitary and Electrical Installations all around the surrounding campus. The Overall

Facility of Infrastructure works were executed only by one contractor and project is 100% completed and under service three years ahead of.

The university commenced its mission in 2011(2004 E.C.) and according to the statistics indicated the number of students enrolled in regular programs, in 2004 (2011/2012) Academic Year were about 311 Male & 317 Female Students, total of 628 students. However, this number has grown rapidly to **5015 Male & 2792 Female, total of 7807** enrolled students in Academic Year of 2007 E.C. (2014/2015 G.C.)

2.3 Socio-Economic Benefits (Purpose) of the Project

Debre Tabor University is dedicated to the supply of highly qualified and innovative human resource by providing societal needs-tailored quality education. Students will form the backbone of a qualified and adaptable human resource base that will drive Ethiopia's Economic Development Forward. DTU comprises different facilities in it and among these facilities the infrastructure works were major facilities which provide road accesses, sanitary facilities, and electrical uses for the university communities of beneficiaries.

2.4 Undesired Impacts of the Project

Environmental Impact Issues:

Environmental Impact Assessment (EIA) is a key aspect of many large scale planning applications. It is a technique which is meant to help us understand the potential environmental impacts of major development proposals. In a nut shell, EIA is just an information gathering exercise carried out by the developer and other bodies which enables a Local Planning Authority to understand the environmental affects of a development before deciding whether or not it should go ahead. The really important thing about environmental assessments is the emphasis on using the best available sources of objective information and in carrying out a systematic and holistic process which should be bias free and allow the local authority and the whole community to properly understand the

impact of the proposed development. Environmental assessment should lead to better standards of development and in some cases development not happening at all.

Construction of DTU which includes infrastructure facilities has required about 126 hectares (1.26 km²) of land, which has been previously owned by 268 farmers, and nearly ETB=10,535,105.70 was paid for compensation and rehabilitation of those displaced Farmers. Among the 268 farmers, only 10 ceased farming and engaged in other occupations to earn their own living standards. AP considers as undesired impact here is that the statement in the document does not explain or address the final destinies of about 258 displaced farmers.

2.5 Source of Funding and Project Cost

The project is fully funded by The Government of Federal Democratic Republic of Ethiopia. From an unofficial source (document without official stamp) the initial estimated budget for the DTU construction project was ETB= 600,000,000.00 (Six Hundred Million). No clear documents or evidences which ascertain or verify this information. This was information was obtained from *Ato Tamene, 11 New Universities Construction Project Office Engineer, MoE.*

2.6 Project Duration

The construction of DTU Infrastructure was divided in Two Phases based on their subsequent priorities. As stated in the contract agreement, the total construction duration for each phase was 365 Calendar days or 730 calendar days (Two Years) for the two phases. The contract agreement for the execution of Infrastructure was made on the date of 10th June, 2011 G.C (04 June, 2003 E.C.) that is from June 2003 E.C to the End of May 2004 E.C. Even though, at this time project is completed and providing its full service. But no clear evidence or documents were available to disclose whether the project is completed within the specified period of time as contract agreement or not. For the purpose of disclosure process, finding further information will continue and added in the final report.

3. Reactive Disclosure of Procurement and Contract Information-Contract-1

3.1 Reactive Disclosure of Procurement Information:-

3.1.1 Overview of the Procurement Process

For the implementation of Ten (10) New Universities, it was desired to hire the suppliers involved who have experience from the previous implementation of 13 Universities under UCBP. It was determined that consultants who were involved in the preliminary and detail design of previous thirteen universities shall be prioritized to carry out implementation of Ten (10) New Universities (including DTU). During the assessment of different documents, MH Consulting Engineers/Architectures was the only consultant who participated in the implementation of 13 universities. Depending on the previous university implementation experience, MH Consultant was selected for the *Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities (including DTU)*.

According to the documents obtained from MoE, only three consultants were registered for their technical and financial evaluation purposes. They were **MH Consulting PLC, Ultimate Plan Consulting PLC and National Consulting Plc**. As stated in the document/unofficial document/ (issued by **Ato Tamene, 11 Universities Construction Project Office Engineer MoE**), MH Consulting Firm was nominated for *Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities (including DTU)*.

The following two points can address as the generalized overview of the procurement process:

- I. The technical and financial evaluation document was unauthorized (document without official stamp),
- II. There were no additional supporting documents to verify the accuracy and completeness of this Information.

3.1.2 Verification of the Reactive Disclose of Procurement Information

3.1.2.1 Completeness of the Disclosed Procurement Information

According to the provided by MoE, MH Consulting E/A was responsible to carry out the execution of Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities including DTU up on the slight modifications from 13 universities., on the basis of adaptation of design standards from construction of 13 universities. The completeness of disclosed information was about 45% based on the average information recorded in the Standard Disclosure Template.

3.1.2.2 Accuracy of the Disclose Procurement Information

Accuracy of the Disclosed Procurement Information mainly relies on the issuance of related documents by each contracting bodies. Very limited documents were issued from MoE, where as no related documents revealing the procurement process were provided by DTU assigned members, so within the limited provided information, the accuracy of reactively disclosed procurement information will not guarantee accurate of the Disclosed Procurement Information. As required in SDT Accuracy of the Disclosed Procurement Information can be taken as 40 %.

3.1.3 Analysis of the Disclosed Procurement Information

3.1.3.1 Compliance of the procurement Process with Rules of Advertisement

The document issued or obtained from MoE, reveals that three (3) candidates, including MH Consulting firm were registered and found under Technical and Financial Evaluation document (unauthorized document), for their final nomination. The overall advertisement process (bid invitation process, bid date, numbers of bidders registered and rejected, official documents for Technical & Financial Evaluation) were not issued by any of PE's. Hence the conformity of overall information being in compliance with rules of advertisement may not address precise information.

3.1.3.2 Efficiency of the Procurement Process (Timeliness)

Bid advertisement, date of bid proposal submission, bid opening and bid evaluation processes information were not found from both Procuring Entities (MoE & DTU). However, DTU's members have responded that 'preparation of Bid Advertisement and Tender Evaluation documents was the responsibility of MoE, so, these documents are not available in our office, but may be available in the MoE'. Thus, AP was unable to address the complete information about the efficiency of procurement process.

3.1.3.3 Fairness of the procurement Rules on Participation

There were no concrete information about procurement rules on participation; as a result AP could not verify fairness of the Procurement Rules on Participation.

3.1.3.4 Transparency of the Tender Evaluation Process

Documents revealing about Tender Evaluation Process were not issued to AP from both PE's, accordingly AP was unable to verify about transparency of tender evaluation process for the selection of consultancy service of contract 1 (Design Adaptation and consultancy service for construction supervision).

3.1.3.5 Objectivity of the Tender Evaluation and the Award Criteria

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract.

The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition. In order to confirm the

objectivity of Tender Evaluation and Award Criteria in the implementation of DTU infrastructure works, relevant documents were not by the contracting bodies.

3.1.3.6 Competitiveness of the Award Criteria

AP was unable to address complete information and to verify competitiveness of the award criteria among the competitive bidders for consultancy service of contract 1, because no relevant documents were issued

3.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

From the latest response or information obtained from DTU's assigned members, there were no any changes concerning original project scope, time, & cost issues. Moreover, documents revealing the changes of original project scope, time, and cost were not available; AP is responsible for this disclosed information

Note: As discussed in the section 4.1.1 above, unauthorized or unofficial document was provided by the MoE, i.e., there were tree (3) candidates who were registered and evaluated for their technical and financial evaluation purposes. According to AP's personal opinion, this document can not be taken as concrete source of information, but simply to address or inform that the formal procedures have been carried out by the MoE for Bid Invitation and Tender Evaluation processes. Moreover, DTU's assigned members have confirmed that the document revealing about bid invitation & tender evaluation process is not available in their office.

3.2 Reactive Disclosure of Contract Information:

3.2.1 Overview of the Contract Information

To overview the Disclosure of Contract Information, the contract agreement was made between MoE and MH Consulting Engineers and Architectures on the day of May 15, 2009 G.C., for the service of Design Adaptation and Construction Supervision of Ten (10) New Universities including DTU infrastructure works, by adapting the design standards with slight modifications from the experience of previous construction of 13 Universities. Under this contract agreement, the

employer, MoE will pay MH Consulting Firm a Total Contract Price of **ETB= 11,000.000.00** (Eleven Million Birr including 15% VAT), for the execution of Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities. The specific contract price for each university (including DTU) was not allocated or indicated in the document provided.

3.2.2 Verification of Reactively Disclosed Contract Information

3.2.2.1 Completeness of the Disclosed Contract Information

As stated in the contract agreement document, MH Consulting E/A was responsible to carry out the execution of Design Adaptation and Consultancy Service for Supervision of DTU, on the basis of adaptation of design standards from construction of previous 13 universities, with certain design modifications. Thus, the information was not cross-checked from other sources. SDT shows that the completeness of disclosed contract information as 55%.

3.2.2.2 Accuracy of the Disclosed Contract Information

The accuracy of disclosed contract information also depends on the availability of adequate and relevant documents and further attempt will continue to provide additional information. SDT shows that the completeness of disclosed contract information as 50%.

3.2.3 Analysis of Reactively Disclosed Contract Information

3.2.3.1 Issues Related to Contract Price

During the assessment of obtained documents, no any anticipated contract price changes have been explained in the document. In addition to this, during the CoST-Ethiopia's formal request of for further provision of required documents, DTU's assigned members have responded that "no any contract price changes have been occurred during the construction of DTU infrastructure".

3.2.3.2 Issues related to Contract Duration

No contract duration changes were recorded in the available documents. DTU members have also confirmed that there were no contract duration changes from the beginning to the completion of the project. According to the issued documents from MoE, original Contract Period for the service of Design Adaptation was Three (3) Months after the commencement.

3.2.3.3 Issues Related to Contract Scope

During the assessment of obtained documents, AP could not find any related contract scope changes. As stated in the above sections, DTU assigned members have confirmed that there was no any contract scope changes while the construction of DTU infrastructure.

Generally AP has tried all his possible routes to get further information; for instance AP has made a detail discussion with Ultimate Plan Consulting Architectures/Engineers Plc Manager, ***Be-Giziabeher Alebel (Dr.)***. During the discussion, AP has kindly requested the manager in order to cooperate in providing all relevant documents or information DTU's projects. For the AP's formal request, the response from the manager was as stated below, "The firm cannot provide or disclose any information about DTU's projects, as our agreement prohibits providing any information or document to the third party"). Because of this response, AP was unable to get any document or information from the mentioned consultant.

4. Reactive Disclosure of Procurement and Contract Information Contract-2

4.1 Reactive Disclosure of Procurement Information:

4.1.1 Overview of the Procurement Process

The Contract Agreement for the consultancy service of Contract Administration and Construction Supervision Works was made between MoE and Ultimate Plan Plc Consulting Engineers and Architectures, on the day of September 25, 2009. The Procuring Entity has requested the supplier to carry out the above consultancy service and the Procuring Entity shall pay the supplier the contract

Price of ETB=**5,583,825.00** (Five Million Five Hundred Eighty Three Thousand Eight Hundred Twenty Five, including 15% VAT).

The Period within which the Service shall be commenced is Two (2) Weeks after the signing of the Contract.

- Contract Duration for Design Work was **Three (3) Months** after the commencement of the design works,
- The Construction Supervision and Contract Administration Consultancy Service have been continued until the project completion.

As stated in the unauthorized document (document without official stamp) issued by MoE, bid invitation process has been carried out by the MoE. But the date of bid invitation, total number of registered bidders, and rejected bidders with the reason were not stated in the available document. In the Technical and Financial Evaluation procedures, only two (2) candidates were evaluated for their final nomination.

On the basis of technical and financial evaluation points, *Ultimate Plan Consulting A/E Plc* has been selected for Contract Administration and Construction Supervision Works of both DTU Projects (Infrastructure & CYT & DHB). It was recalled that CoST-Ethiopia has written a letter to 10 new University Construction Project Office, MoE on the day of 09/08/2010 E.C. After accepting the official letter, project office has shown an enthusiastic corporation as much as possible. For this takes, 11 New Universities Construction Project Office Engineer Tamene Yigletu was the responsible one who facilitated providing available documents. He has cooperated providing relevant documents, except bid invitation & Tender Evaluation Documents for both consultancy services contract 1 & 2. After essential discussions, AP has tried to observe documentation store, the store was deadly locked store, i.e. it has been closed for years, no any responsible worker in providing required document, and documents were placed disorderly, thereby difficult to identify the required documents.

Generally the store was highly in a messed condition so that the situation has become very difficult to separate and found the required document as needed. There was no a responsible workers who can identify and provide the desired document. Because of above stated difficult situation, AP was unable to get an official Bid Invitation & Tender Evaluation Documents and has faced producing accurate and complete disclosed information about Bid advertisement and tender evaluation processes.

The figures tabulated in the Table 3 below describes Technical and Financial Evaluation process as was taken from unauthorized (unofficial) document obtained from the MoE. AP is responsible for this information and used this information only to verify that Tender Evaluation processes have been carried out by the MoE.

Table 3. Technical and Financial Evaluation Process

No	Bidders' Name	Final Accepted Contract Amount	Weighted technical score (80%)	Weighted financial score (20%)	Total Score (100%)	Rank
1	Ultimate Plan A/E Plc	ETB=5,494,125.00	72.5	16	88.5	1
2	National Consulting A/E Plc	ETB=5,777,866.00	70.8	14.6	85.4	2

4.1.2 Verification of the Reactively Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

Verifying the completeness of Disclosed Procurement Information substantially relies on the issued or provided documents or information by the concerned procuring Entities. From the Standard Disclosure Format Requirement, the average completeness of reactive disclosure of procurement information was about 55%.

4.1.2.2 Accuracy of the Disclosed Procurement Information

Accuracy of the Disclosed Procurement Information mainly relies on the issuance of related documents by each contracting bodies. Very limited documents were issued from MoE. The Accuracy of the Disclosed Procurement Information can be taken from SDT as 50%.

4.1.3 Analysis of the disclosed Procurement Information:

4.1.3.1 Compliance of the procurement Process with Rules of Advertisement

As observed from unofficial document, Ultimate Plan Consulting Architectures and Engineers Plc was select on the basis of Technical and Financial Evaluation process for the execution of Contract Administration and Construction Supervision Works of DTU projects. In order to verify whether procurement process (on time bid invitation, appropriate bidding dates, fair registration of competent bidders, reliable selection and rejection processes) was in compliance with rules of advertisement or not, it shall have been cross-checked from authorized documents , however this was not happen.

4.1.3.2 Efficiency of the Procurement Process

Official documents revealing about timely bid advertisement, number of registered bidders, rejected bidders, number of selected bidders, date of bid proposal submission, bid opening, appropriateness of bid evaluation process (technical and financial evaluation) were not available, and as a result AP was unable to verify the efficiency of the procurement process.

4.1.3.3 Fairness of the procurement Rules on Participation

In order to verify fairness of the procurement rules on participation solely relies on the concrete evidences or relevant documents, as a result this was not possible due to missing documents.

4.1.3.4 Transparency of the Tender Evaluation Process

For the service of Planning, Design Adaptation, Construction Supervision (Contract Administration), three candidates were evaluated for their Technical and Financial Capacities, as discussed in section 5.1.1; the least bidder or supplier (ultimate Plan Consulting form Plc) was selected among other two candidates. However, this information was obtained from the unauthorized/unofficial document issued by MoE, but it was not cross-checked from the concrete evidences.

4.1.3.5 Objectivity of the Tender Evaluation and the Award Criteria

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract.

The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition. In order to confirm the above objectivity of Tender Evaluation and Award Criteria in the implementation of DTU infrastructure works, unwillingness of providing related documents by the contracting bodies has made the information incomplete.

4.1.3.6 Competitiveness of the Award Criteria

Only two consultants were evaluated for the consultancy service of Contract Administration and Construction Supervision. The detail award process was not clearly stated in the available document. As there were no additional supporting documents and clear information, verification and analysis was not satisfactorily carried out by AP in order to compare and contrast the competitiveness of the award criteria between the competitive bidders.

4.1.3.7 Overview of Contract Milestones: Original scope, Time and Cost

From the latest response or information obtained from DTU's assigned members, there were no any changes concerning original project scope, time, & cost issues. Moreover, documents revealing the changes of original project scope, time, and cost were not available; AP is responsible for this disclosed information

4.2 Reactive Disclosure of Contract Information:

4.2.1 Overview of the Contract Information

The contract agreement was made between MoE and Ultimate Plan Plc on the day of **25th September, 2009 G.C.** The procuring Entity has requested the supplier to provide certain consultancy services as defined in the contract. The supplier having represented the Procuring Entity that it has required professional skills, personnel and technical resources, having agreed to provide the services on the terms and conditions set forth in the contract. According to the contract document, the supplier or consultant will provide the overall service on Planning, Design Adaptation and Contract Administration and Construction Supervision.

In the Contact Document, the following statements had been described and agreed between the two parties (MoE and the supplies or consultant):

- ☞ The Mutual Rights and Obligations of Procuring Entity and the Supplier shall be as set forth in the contract, in particular:
 - (a) The supplier shall carry out the services in accordance with the provisions of contract; and
 - (b) The Procuring Entity shall pay the supplier the contract price of ETB= **5,583,825.00** (Five Million Five Hundred Eighty Three Thousand Eight Hundred Twenty Five) including 15% VA) and other sum as may become payable under the provision of contract, at the time and in the manner prescribed by the Contract.

The Period within which the Service shall be commenced is Two (2) Weeks after the signing of the Contract. Contract Duration for Design Work was **Three (3) Months** after the commencement of

the design works. Planning Design Adaptation, (Contract Administration and Construction Supervision) Consultancy Service has been continued until the project completion.

4.2.2 Verification of Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

Verifying the completeness of Reactively Disclosed Procurement Information substantially relies on the issued or provided documents for cross-checking purposes. Full Contract Document for the service of Planning, Design Adaptation, and Construction Supervision was obtained **only** from MoE, Ten New Construction Project Office. Even though, the document issued by MoE, was complete and official document, for need of further cross-checking purpose of completeness of Reactively Disclosed Contract Information, the additional documents/evidences shall have been provided by DTU. Thus, the completeness of disclosed contract information will be one sided. Hence AP has put his own judgment that the completeness of reactive disclosure of contract information was 75% on the basis of SDF requirement.

4.2.2.2 Accuracy of the Disclosed Contract Information

The accuracy of disclosed contract information also depends on the availability of adequate and relevant documents and further attempt will continue to provide additional information. As required in SDT Accuracy of the Disclosed Procurement Information can be taken as 70 %.

4.2.3 Analysis of Disclosed Contract Information:

4.2.3.1 Issues Related to Contract Price

Documents revealing any deviation or anticipated contract price changes were not issued contemporarily from both of bodies, MoE, and DTU. As a result providing reliable information about changes on contract price compared to the original contract price. Thus, AP was unable to include justified and confirmed information on changes to the original contract price.

4.2.3.2 Issues Related to Contract Duration

As stated in the contract agreement document: the period the expiration of the contract for the design work is:

- I. Three (3) months after the commencement of design work or such other time as parties may agree;
- II. The Construction Supervision and Contract Administration Consultancy Service: up to the completion of the construction work.

4.2.3.3 Issues Related to Contract Scope

Documents explaining or revealing any contract scope or project program changes were not issued by MoE, DTU, Consultants, or Contractors. Basically the documents issued/provided by MoE DTU assigned staff was very limited and further assessment and justification were influenced. Thus, producing necessary and reliable information concerning any changes of contract scope, compared to original contract scope was a crucial problem in this report.

5. Reactive Disclosure of Procurement and Contract Information Contract -3 (Works)

5.1 Reactive Disclosure of Procurement Information:

5.1.1 Overview of the Procurement Process

A priority concern for the Government of Ethiopia, for the implementation of Ten (10) New Universities was promoting and encouraging the involvement of those contractors participating in the **Regional Housing Development Programs**. FDRE has given a mandate to **Debre Tabor Construction Housing Development Agency** to carry out the construction of CYT & DHB buildings of DTU. The construction of Debre Tabor was based on **Fixed Price Contract Basis**. From the point of view of **Fixed Price Contract Basis**, AP perceives the requirements for Bid Advertisement and Tender Evaluation Processes will not necessarily considered for the selection procedure of respective contractors.

The execution of DTU Administrative Offices and Student Dormitories (CYT & DHB) were given to the contractors who were selected on the basis of **Fixed Price** and **Best Performances** gained from their past **Housing Development Construction Practices**. As stated in the contract documents, ‘the selection process of contractors, who were desired to be engaged in the construction of DTU projects (CYT & DHB) were privileged according to the **Directive Set for the Execution of Ten New Universities**’. The point to be stressed here is the question of hallmarking what was the general content of the ‘**Directive Set for the Execution of Ten New Universities**’ and was it in compliance with principles and procedures set in Public Procurement Processes? This shall be checked only when ‘**Performance Directive**’ Document is obtained

Thus, it was not possible to conclude, whether or not the procedure used for the selection process of contractors was in compliance with the rules and principles stipulated in Public Procurement.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The procedure for the selection of contractors in CYT & DHB construction activities was based on the previous participation in the construction of Amhara Regional Housing Development and best performances of contractors during their achievements. Completeness of reactive disclosure of procurement information from SDT count was about 75%.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The selection procedure was as stated above in section 5.1.2.1, and accuracy of reactive disclosure of procurement information from SDT count was taken as 70%.

5.1.3 Analysis of the Reactively Disclosed Information

5.1.3.1 Compliance of Procurement Process with the Rules of Advertisement

In order to cross-check about the conformity of procurement process with rules of advertisement, any documented selection process or procedures supported with concrete evidences shall have been obtained, however, this was not happened. AP understands that the selection process has its own procedure and rules that may follow stipulated steps or rules that are contained in the PPAA document.

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

The efficiency of the procurement process depends on the selection procedure/process that was used for selection of contractors with best performances in the Housing Development Programs.

5.1.3.3 Fairness of the Procurement Rules on Participation

Fairness of the procurement rules on participation depends on the selection format of Performance Directive document used for selection process of contractors. To provide complete and accurate

information, whether or not the selection process was in compliance with the procurement rules of the standard document, it requires further analysis based on the detail contents of the document.

5.1.3.4 Transparency of the Tender Evaluation Process

As was discussed in detail in the above sections, all contractors who were involved in the construction of CYT and DHB were selected based on their previous construction performance levels and the contract agreements were held on fixed price basis. AP understands that the transparency of tender evaluation process may not be necessarily carried out during the selection process. Since, the selection criterion has been set or has been negotiated among the respective parties for the selection of required contractors.

5.1.3.5 Objectivity of the Tender Evaluation and award Criteria

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract. The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition.

5.1.3.6 Competitiveness of the Award Price

The Contract Award Price was based on the fixed price basis, thus AP considers under this type of selection process, award price competitiveness may not be carried out.

5.1.3.7 Overview of Contract Milestones: Original scope, Time and Cost

There were no observed or registered changes on original contract scope. Concerning time and cost issues, moreover, in the latest information, DTU assigned staff has corroborated that there were no

changes concerning original scope, time, and cost issues. Thus, AP could not verify concerning these issues, as a result complete and accurate information was not addressed to NMSG-EC.

5.2 Reactive Disclosure of Contract Information:

5.2.1 Overview of the Contract Process

The selection process for the construction of DTU Projects (**Court Yard Type and Decentralized Head Office/Administrative Buildings**), was based on mutual consensus made between MoE and ANRSHDPO. According to the documents obtained from both PEs, ANRSHDPO shall deliver those contractors who have participated and acquired best performances in the construction of housing development programs. For the execution of DTU Projects about Fourteen (14) Contractors with Grade III-VI have been engaged. Among the 14 contractors, majority were made a contract agreement on the **3rd day of March, 2011 G.C. The sum of the total contract price of those 14 contractors was, ETB=145,412,299.18 (One Hundred Forty Five Million Four Hundred Twelve Thousand Two Hundred Ninety Nine 18/100).** The contract agreement for all prices was on the basis of **Fixed Price**.

The contract process of works had followed the direction set out in the inception document involving **Performance Based Short Listing of Contractors by Regional Housing Development Offices**. The Joint assessment of the offices' recommendation was carried out by a committee comprising representatives of MoE and Regional Housing Development Project Offices and final approval by the Higher Management Body of the Ministry of Education.

5.2.2 Verification of the Disclosed Contract Information:

5.2.2.1 Completeness of the disclosed Contract Information

The information about the participation of fourteen (14) contractors in the construction of CYT & DHB buildings was obtained only from MoE. No documents were available from DTU's Offices for cross-checking purposes. However, AP shall take responsibility that Reactive Disclosure of

Contract Information was complete, since full document was obtained from MoE. The degree of completeness of reactive disclosure of contract information from SDT count was taken as 80%.

5.2.2.2 Accuracy of the Disclosed Contract Information

In order to verify the accuracy of Reactive Disclosure of Contract Information, the information which carries the similar contents shall have been obtained from both parties. But the information was one sided, thus AP may consider the accuracy of disclosed contract information may be taken as 70%.

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

There was no any information or document revealing about contract prices changes. In addition to this DTU staff has confirmed that there were no changes concerning contract prices.

5.2.3.2 Issues Related to Contract Duration

There was no any information or document revealing about contract duration changes. Besides, DTU staff has confirmed that there were no changes concerning contract duration.

5.2.3.3 Issues Related to Contract Scope

The contract scope changes were not stated in any of documents obtained, in addition to this information the client has responded that there were no any changes related to contract scope.

6. Findings and Causes of Concerns

6.1 Findings

6.1.1 Consultancy Service for Design adaptation and Construction Supervision

In the selection process of a consultant, for **Design Adaptation and Construction Supervision Service (Contract-1)**, the criterion set forth was based on the involvement of implementation of previous 13 universities preliminary and detail design process. During the assessment of unofficial document provided by the MoE, other two (2) candidates (Ultimate Plan consulting Plc and National Consulting Plc) have been submitted their bid proposals. AP has understood that the participation of the other two candidates was simply to fulfill the formality only. Because it is known that the selection process will consider only those consultants who have been participated in the implementation of previous 13 universities. Thus, AP has perceived and identified some inappropriate advertising gaps:

- (a) The invitation of other bidders seemingly unlike to fulfill the criterion set forth, because it is known that only MH consultant has been involved in the implementation of previous 13 universities, thus AP has identified that the invitation of other candidates was simply a prejudice (preconceived judgment or opinion) for the favor given to select MH Consultant.
- (b) Even if the criterion set forth considers the experience as preference or priority of selection process, the overall procedure does not permit wider room or limits the participation of more additional competent bidders, so, from the AP's perception point of view, principles of public procurement (such as Discrimination among candidates, Transparency, and Fairness issues) possibly could have been affected or violated.

6.1.2 Consultancy Service for Contract Administration Construction Supervision Works

According to the documents issued/obtained from MoE, there were number of information addressing problems associated with the services of Ultimate Plan Plc. The problems stated in the documents were as described below:

- (a) In most cases, consultant side construction supervisors, were not available on the project site on time and unable to provide work directions to the contractor side workers;
- (b) There were problems in providing necessary and completed design works to the contractors to begin their construction activities as early as possible in accordance with the time scheduled;
- (c) Problems in submitting copies of contractors' contract agreement that was made with MoE and consultant's coordination problems with contractor side workers has created serious problems on day to day construction activities;
- (d) There was Road Design Problems that leads to the extra cost increment and time delay;
- (e) Delay of release of finance on time and as necessitated; were the major ones,
- (f) It is remembered that CoST-Ethiopia had written a letter on 23/11/2010 E.C. to the DTU, for the further provision of essential documents and DTU has responded on the date of 09/12/2010 E.C. with some additional documents. Up on AP's careful observation of those documents, AP has identified that DTU has given a performance letter to Ultimate Plan A/E Plc, which confirms that the previous performance of the firm was 100% blameless, despite the fact that all the above problems (a- e) were happened. According to AP's opinion, providing faultless accomplishment to the consultant was an acceptable and irrational task, because there were several supported documents revealing that there were numbers of problems associated with previous performances of the consultant.

For all findings of problems stated above, AP will take responsibility to ascertain that reactive information provided were identified and taken from the documents obtained from MoE & DTU.

Any associated problems with Contract 3- Works (CYT & DHB).were not addressed in any of documents issued or provided.

6.2 Causes of Concerned

6.2.1 Time Concerns

Assurance Professional has faced series challenges to highlight and produce convincing and sound report to the MSG-EC on Reactive Disclosure Information, Concerning Cost and Time Overruns. The main reason for this failure was unwillingness of Procuring Entities (*especially DTU's assigned staff*) in providing adequate and relevant documents. AP has tried to discuss about the crucial issue and presumed solutions at different occasions with CoST –Ethiopia Country Coordinator.

The following causes of concerns for time delays were stated in the documents available from MoE as follows:

- I. Coordination problems associated with consultant in providing activity schedules and work orders to the contractors;
- II. Road Design problems were obstacles for early start of road construction activities;
- III. Delay of release of finance on time and as necessitated to execute the construction activities properly;
- IV. Existence of inappropriate coordination among the contracting Parties (Client, consultant, and contractor).

As stated in the documents, above causes of concerns were potential concerns to the anticipated time delays.

6.2.2 Cost Concerns

AP has tried to examine that the time delays were an adversarial causes for the extra time requirements, and increased cost expense. There was no exact figure (number of time delays) stated in any document in a concrete manner, but AP can provide his opinion, it is inevitable if there were time delays during the construction, conversely there should be some cost expenses.

6.2.3 Quality Concerns

The Debre Tabor Infrastructure project was completed before five years ago, and currently it is providing its full service for its intended purposes. Unfortunately, AP was unable to inspect quality aspects of the existing structures, during his first project site trip, because DTU's security condition was so tight and prohibitive. Even it was not permitted to take any photographs of surrounding structures for visual inspection purposes. But the photographs incorporated in this report were secretly taken by AP's own responsibility, without any permission from DTU's security staff. Thus, quality issue was no so far basic concern for this discussion, because the project is completed and already in use.

7. Conclusion and Recommendations

7.1 Conclusion

The objective of this project task is to enhance the Transparency of Procuring Entities (PEs) and Construction Companies by Disclosing Infrastructure Data Standard at all Stages of Construction Project Cycle, from the initial identification of project to the final completion. The principal aim of CoST is about to increase transparency through the release of project information into the public domain. In order to ensure that the released information is both accurate and available in a form that can easily be understood by stakeholders, it would need to be verified and analyzed by Assurance Professional appointed by the Multi-stakeholder Group Executive Committee.

The Assurance Professional is responsible to verify and analyze Reactive Disclosure of Information on Contract and Procurement Processes on the selected projects and has to produce reports that are clearly intelligible to the non-specialist, by highlighting the major findings and causes of concerns. Producing convincing and sound reports mainly relies on the adequate and relevant documents obtained from respective contracting bodies such as client or owner, consultant and contractor.

The major challenges for AP during data verification and analysis periods were, obtaining adequate and relevant documents from Procuring Entities. Still the following documents were not obtained either from MoE or DTU:

- ☞ *Documents revealing Bid Invitation and Tender Evaluation Processes:* for Consultancy Service of Design Adaptation and Construction Supervision (*Contract-1*);
- ☞ *Documents revealing Bid Invitation and Tender Evaluation Processes:* for Consultancy Service of Contract Administration and Construction Supervision Works (*Contract-2*);
- ☞ Amhara National Regional State “*Performance Directive*” Document used for selection process of contractors for Infrastructure Works (*Contract-3*);

Each party has given its own answer for the non issuance of above mentioned documents:

MoE: Responses the documents of Bid Invitation and Tender Evaluation processes for Contract-1 & 2 are available in the dead file or document shelf, but there is no an organized staff who is responsible to find and provide these documents from such dead and disorganized document Shelf.

DTU: Responses that the above mentioned documents are not available in DTU’s office, but may be available in the offices of MoE.

Consequently AP was not able to produce complete and accurate Reactive Disclosure of Information about Bid Invitation and Tender Evaluation Processes.

The main findings Causes of Concerns under this Assignment were:

- Generally there were critical problems in documentation handling and organization, especially as observed from DTU project offices;
- There were early construction delays (time delays) that can be taken as major causes for cost increments;
- Provisions of supplementary work contracts for the similar one individual contractor, without setting major preconditions, if so, this situation leads a controversial and disputable actions

among the parties, moreover if the actions were not appropriate and reasonable, the chances of participation of other contracting bodies will be affected and violated,

- The unorganized and uncoordinated relations between consultants and contractors have created problems during the early project construction activities, thereby leading to the unexpected project cost increases and considerable time delays (as stated in the provided documents).

7.2 Issues Recommended for Further Review

- ✧ In most cases, the existing data handling and organization system is an obsolete system, thus it has to be modernized and scientific data-base system;
- ✧ Obtaining adequate and relevant documents or information from Client /owner, consultant and contractors is a crucial problem, to enhance the commitment and transparency among the contracting parties, supplementary promotions shall be widely applied to the contracting parties;
- ✧ The applicability of the Standard Bidding Document (SBD) prepared by the Agency to serve as a point of reference in the preparation of bidding documents by public bodies shall be maintained and consistently used especially in publicly financed projects;
- ✧ When Public bodies use the procurement Methods such as Single Source/Direct or Restricted Procurement Methods, the conditions that have contained in the procurement Methods , shall be clearly stated and explained in the contract documents prepared by any public bodies;
- ✧ AP recommends that the Reactive Disclosure of Information on public projects shall be usually considered before their full completion period from AP's perception point of view. AP presumes performing before the completion period may help in an early control successive construction activities. From the previous experiences, most members of PE's were not collaborative in providing adequate project information for the projects where their progress statuses were about 95% and above were completed.

LIST OF FIGURES



Figure1-Library, Vision and Mission of DTU



Figure 2-Dormitories (CYT+DHB Buildings) & Road Section (Infrastructure)



Figure 2- Main Administrative Buildings and Road Sections



Figure 4-Laboratory Buildings

Annex 1. Contraction of CYT & DHBBuildings

S. No.	Main Designer of DUT	Consultant or Supplier of DUT	Services Provided or Works Executed	Amount of contract Price (ETB)	Contract Date (G.C. or E.C.)	Duration of Agreement for the execution/completion of works	Constructi on Type (Infrastructure or CYT+DH B	Construction Round & Phase	Remarks
I	MH Engineering Plc Consulting E/A		Detail Design of DTU Consultancy service for Construction Supervision	ETB =11 Million	May 15, 2009 G.C	Three Months	-	-	Note; Contract prices are Darken ones
II		Ultimate Plan Plc Consulting A/E Tel.:01155 22925/26 Fax:011- 5522928 A.A	Planning, Design Adaptation, Supervision Works	ETB= 5,494,125.00 Including 15% VAT	25 th September , 2009 G.C.	From 1 st year to the 5 th year	-	From 1 st year to the 5 th year	As stated in WBD analysis as, not specified in Contract Agreement
III	Amdemichael Temesgen, Grade-III General Contractor		1. Road Works 2. Sanitary Works 3. Electrical Works	1. Phase- I Infrastructure Works LOT-A =38,708,640.06 LOT B =13,562,298.22 2. Phase-II Infrastructure Works =35,451,345.49 3. Total=87,722,283.76 4. 15% =13,158,342.56 5. G. Total=100,880,626.32	10 th June, 2011 G.C.	The Completion Date for the two Phases (Phase-I & Phase II) is 730 Calendar days (or Two Years)	Infrastructu re	Infrastructure Phase-I (LOT- A & LOT -B) & Infrastructure Phase-II	

			-CP					
1	Takele Tadele –Grade-V General Contractor	1. DO-CYT Block No.213 2. DHB-T2 Block No. 104 Lot-B	ETB= 16,769,120.56 including 15% VAT	December 01, 2014 G.C	270 days	CYT+DHB	Participated from Phase IV Round IV	In the completion time, it says 270 cal days for B.No.213 & 210 C. days for B.No.104, Total 270 C days.
2	Assefa Alemu B.C. Grade- IV Building Contractor	- Block Do-T1 G+2 B-240 - Cupboard work (Variation) - Terrazzo tread & riser (variation)	6,946,195.96 704,933.83 26,496.0 Total=7,988,125.35 including 15% VAT (CP)	06/06/200 7 E.C	150 days	CYT+DHB	Phase I from round 3- 4	
3	Biruk Delelegn Grade- VI Building Contractor	- Dormitories - Laundry	1. 5,916,486.25 2. 303,961.49 3. Sub-Total=6,220,447.74 4. 10 % Contin.=622,044.77 5. Total=6,842,492.51 6. 15% VAT=684,249.25 7. G. Total=7,526,741.77-CP	May 07, 2010 G.C.	180 days	CYT	Phase I from round 3/4 th	

4	Takele Tadele B.C. Grade-V Building Contractor	Dormitories	1. 5,916,486.25 2. Sub-Total=5,916,486.25 3. 10% Contin.=591,648.63 4. Total=6,508,134.88 5. 15% VAT=650,813.49 6. G. Total=7,158,948.36-CP	May 07, 2010 G.C.	180 days	CYT	Phase I from round 3/4 th	
5	Mulugeta Biazen Grade B.C	1.Kitchen 1 2.Dinning hall T1 1 3.Laboratory L1 1 4.Classroom 1	1. 1,3,512,396.87 2. 2,617,325.92 3. 4847,105.98 4. 3,235,308.96 5. Sub-Total=13,212,137.73 6. 10% conti.=1,321,213..77 7. Total=14,533,351.50 8. 15% VAT=2,180,002.73 9. G. Total=15,986,686.65-CP	May 07, 2010 G.C.	270 days	CYT		There is a mistake in computation of Contract price (Case 15% VAT)
6	Agegn Demissie B.C.	1.Semonar M1L 1 2.Lecture Hall D1 1	1. 1,3,776,497.81 2. 2,1,352,302.51	May 07, 2010 G.C.	240 days	CYT		

		3. Library L1-T1 1	3. 3,628,228.02 4. Sub-total=11,414,028.34 5. 10%Conti.=1,141,402.83 6. Total=12,555,431.17 7. 15% VAT=1,255,543.12 8. G.Total= 13,810,974.29-CP					
7	Takele Tadele G.C.	General Store	1. Total=1,723,213.87 2. 15% VAT=258,482.08 3. Grand sum=1,981,695.95-CP	18 th June, 2011.G.C.	120 days	CYT		For overall
8	Kest G.C. Grade -V Building Contractor	1. 1.Dormitory Type 1WTV(DO-T1/TV-227) 2. 2.Washing Basin (LN-T2-312) 3. Washing Basin (LN-T2-310)	1. 5,007,497.87 2. 347,854.46 3. 348,098.94 4. Sub-total=5,703,451.27 5. 15% VAT=855,517.69 6. Total= 6,558,968.96-CP 7. 10% Conti.=655,896.96	3 rd March, 2011 G.C.	150 days	CYT	Phase I or II from round 3/4 th , but significant delay of completion in 4 th round has been mentioned in the document	Total Contract Amount is yellow shaded one

			8. G.Total=7,214,865.86					
9	Assefa Negash B.C.	1. Dormitory (DO-T1/TV-129) 2. Dormitory (DO-T1/TV-122)	1. 4,994,420.65 2. 4,996,953.20 3. Sub-total=9,991,373.85 4. 15% VAT=1,490,706.08 5. Total= 11,490,079.93-CP 6. 10% conti.=1,149,007.99 7. G. Total=12,639,087.92	3 rd March,201 1 G.C.	150 days	CYT		Total Contract Amount is yellow shaded one
10	Shegaw Almayehu B.C.	1. Laboratory (LAB-T1-113) 1 2. Seminar Building (SE-M1-111)	1. 4,773,316.81 2. 5,030,421.75 3. Sub-Total=9,803,738.56 4. 15% VAT=1,470,560.78 5. Total= 11,274,299.34 -CP 6. 10% Conti.=1,127,429.93 7. G.Total=12,401,729.28	3 rd March,201 1 G.C.	150 days	CYT		
11	Abay Demissie B.C. Grade- III	1. Central library Small (L1-T1-	1. 7,998,722.75	3 rd March,201 1 G.C.	180 days	DHB	Phase I or II from round 3/4 th	

		117) 2. Decentralized Admin. Building (DAB-T1-115) 3. Lecture Hall Double (1-116)	2. 2,659,385.14 3. 1,597,676.04 4. Sub-Total=12,255,783.93 5. 15% VAT=1,838,367.59 6. Total= 14,094,151.52 -CP 7. 10% Conti.=1,409,415.15 8. G. Total=15,503.566.67					
12	Alemnew Abrha B.C. Grade-III	1. Laboratory (LAB-T1-132) 2. Injera Bakery (IB-T1)	1. 4,890,668.60 2. 1,097,248.26 3. Sub-Total=5,987,916.86 4. 15% VAT=898,187.53 5. Total= 6,886,104.39 -CP 6. 10% Conti.=668,610.44 7. G.Total=7,574,745.75	3 rd March,201 1 G.C.	150 days	CYT	Phase I or II from round 3/4, but significant delay of completion in 4 th round has been mentioned in the document	
13	Biset Asmamaw B.C. Grade- II	1. Dormitory Court yard (DO-CYT-T1-218) 2. Dormitory Type	1. 8,033,049.86	3 rd March,201 1 G.C.	150 days	CYT	Phase I or II from round 3/4 th	

		3 (DO-T3-217) 3. Washing Basin (LN-T2-309)	2. 3,056,090.29 3. 310,578.25 4. Sub-total=11,399,718.40 5. 15% VAT=1,709,957.76 6. Total= 13,109,676.16-CP 7. 10% onti.=1,310,967.62 8. G.Total=14,420,643.78					
14	Assefa Alemu B.C. Grade-IV	1. Dormitory (DO-T1/TV-221)	1. 4,960,658.85 2. 15% VAT=744,098.83 3. Total= 5,704,757.68-CP 4. 10% Conti.=570,475.77 5. G. Total=6,275,233.45	3 rd March,201 1 G.C.	150 days	CYT	Phase I or II from round 3/4 th	
15	Haile H/Selassie B.C.	8. Dormitory DO-T1/TV-220)	1. 4,989,848.28 2. 15% VAT=748,477.24 3. Total= 5,738,325.52-CP	3 rd March,201 1 G.C.	150 days			

			4. 10% Conti.=573,832.55					
			5. G.Total=6,312,158.07					
16	Tilahune Dessie B.C.	1. Decentralized Admin.Blg (DAB-T2-119) - 1 2. Student Lounge (SL-T1-118) -1 3. Work-shop (WS-T1-144) - 1 4. Bread Baker (BA-T2-14) -1	1. 2,706,135.96 2. 952,204.44 3. 1,721,650.95 4. 711,143.09 5. Sub-Total=6,091,134.44 6. 155 VAT=913,670.13 7. Total=7,004,804.61-CP 8. 10% Conti.=700,480.46 9. G.Total=7,705,285.07	3 rd March,2011 G.C.	120 days	DHB		
17	Hassen Abdella B.C.	1. Dormitory Court Yard (DO-CYT-T1-225) 2. Dormitory Type-3 (DO-T3-226)	1. 8,046,610.34 2. 3,063,765.69 3. 15% Vat=1,666,613.69 4. Total=12,777,371.60 -CP	3 rd March,2011 G.C.	180 days	CYT		

			5. 10% Conti.=1,277,737.60 6. G.Total=14,055,108.76					
18	Biruk Delelegn B.C.	1. Clinical Building -1 2. Washing Basin	1. ETB=3,746,706.45 2. ETB=241,382.48 3. Subtotal=3,988,088.93 4. 15% VAT=598,213.33 5. Total= 4,586,302.27-CP	12 th August, 2011 G.C.	150 days	CYT	Phase-I or II 3/4 th round	

***CP-Contract Price**

Totally about 14 contractors have been involved (according to the document issued by MoE).But

**Some contractors have been involved in the construction twice and more than twice:*

E.g. 1 Takele Taddesse –Three-times

2. Birku Demissie- twice 3. Assefa Almu – twice

Annex 2. Standard Disclosure Template

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR INFRASTRUCTURE OF DTU

PHASE	ITEMS OF DISCLOSURE	DESIGN (Contract 1)	CONTRACT ADMINISTRATION & CONSTRUCTION SUPERVISION -(Contract 2)	CONSTRUCTION WORKS (Contract 3)
PROCUREMENT INFORMATION (30 ITEMS)	Date of Disclosure	April 25,2018	April 25,2018	April 25,2018
	Contract Title	Detail design of DTU Infrastructures	Contract document preparation & construction supervision	Construction of CYT and DHB
	Location	Addis Ababa	Addis Ababa	Amhara Regional Housing Development Project Offices
	Procuring Entity	MoE	MoE	MoE on the Behalf of ANRHDP
	Source for further Information	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291
	Date of Procurement Notice	NA	NA	NR
	Floating Period of Procurement notice	NA	NA	NR
	Media Used for Procurement Notice	NA	NA	NR
	Method of Procurement	Direct Procurement	Open Bidding	Restricted Tendering
	Type of Procurement	Consultancy Service	Consultancy Service	Works (CYT & DHB)
	Procurement Procedure	Direct Procurement		Performance Directive
	Evaluation Criteria	NA	Best Technical Fitness	Best Performance during the Housing Development Construction
	Type of Contract & Project	Unit Price+ Design Bid Build	Lump sum+ Design Bid Build	Fixed Price

	Delivery Method			
	Type and Amount of Bid Security	-	-	-
	Content of any Complaint lodged	-	-	-
	Engineer's Estimate	-	-	-
	Date of bid opening	-	-	-
	No. of Bidders Participated, rejected, declined to submit	-	-	-
	Award Firm/Contracting Firm	MoE	MoE	Amhara Regional Housing Development Construction Project Office
	Date of Contract Award	<i>May 15, 2009 G.C</i>	25 th September , 2009 G.C.	Most of Contractors on the days of May 07, 2010 G.C.& 10 th June, 2011 G.C.
	Award Price/Original contract Price	ETB =11 Million including VAT for Ten New Universities as a whole, not specified for Individuals (including DTU)	ETB= 5,494,125.00 Including 15% VAT	ETB=100,880,626.32 including VAT
	Unit Contract Price(Price/Km, price/Sq. m)	-	-	-
	Contract Security Type & Amount	NA	NA	NA
	Date of Contract Signing	<i>May 15, 2009 G.C</i>	25 th September , 2009 G.C.	May 07, 2010 G.C & 10 th June, 2011 G.C
	Contract Scope	Design Adaptation of DTU	Contract Administration throughout project completion	Construction of Court Yard Type dormitories & Decentralized Head Office Buildings.
	Description of Contract & Contract Components	Design Adaptation of DTU up slight modifications from previous 13 universities experience and Consultancy service for Construction Supervision	Consultancy Service for Contract Administration and Supervision Works of roads facility, Sanitary works, Electrical Installation works of DTU	Works-Construction of campus road facilities, Campus sanitary Works, Electrical Installation works
	Contract Administration Entity	-	Ultimate Plan Consulting A/E Plc	-

	Contract duration	3 Months	Until the completion of Infrastructure construction works	Different Calendar Days for about 14 or more contractors, depending on project type. In most cases from the interval of 120 -270 calendar days.
	Contract Start Date	After commencement	Three weeks after Commencement of Design Work	After commencement
	Intended completion Date	Three months for design	-	-

DISCLOSURE OF CONTRACT IMPLEMENTATION

CONTRACT IMPLEMENTATION (14 ITEMS)	Contract Status (ongoing % progress, terminated, completed)	Completed		
	Completion date(Revised, Projected, Actual)	-	-	-
	Change to contract Duration with Reason	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration
	Amount of Liquidated Damage, if applied (Penalty for Delay)	-	-	-
	Contract price (Revised, Projected, Actual)	There were no any contract price changes	There were no any contract price changes	There were no any contract price changes
	Changes to Contract Price with Reason	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration
	Scope at Completion	DTU have enrolled students starting 2005 E, C, No. of students increasing from time to time each year & about 7807 total students were enrolled in the year of 2007 E.C.		
	Change to contract Duration with Reason	NA	NA	NA
	Total Payment Effected	ETB =11 Million including VAT	ETB= 5,494,125.00 Including VAT	Most Payment Certificates were not issued to know total payment effected
	Warranty Type &	-	-	-

	Description			
	Details of Termination if Applied	-	-	-
	Safety Measures (Accident & Death)	-	-	-
	Quality of Work (Very Good, Good, Inferior, Impossible to comment)	DTU Project was completed before five years ago, for its major components like road works, sanitary installation works, electrical installation works, student dormitories, lounges, so quality issue was not inspected during the first project site visit.		
	Disputed Issues & Award Details	Construction of DTU has required about 126 hectares (1.26 km ²) of land, which has been previously owned by 268 farmers. The disputed farmers were nearly paid ETB= 10,535,105.70 for compensation and rehabilitation purposes for the displacement of farmers from their farm lands.		
DISCLOSURE OF PROJECT INFORMATION				
PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of Disclosure	April 24,2018	April 24,2018	NA
	Project Owner	Debre Tabor University		
	Project Name	Debre Tabor University Infrastructure		
	Sector, sub-sector	Education		
	Project location	Debre Tabor Town (East Gondar)		
	Project Purpose	To provide facility to the beneficiaries		
	Project Description	Development or Construction of Infrastructure works DTU includes Road works, Sanitary works, Electrical installation works, sport facilities and others, for the contemporary students and permanent dwellers of university		
	Original Project Scope	NA		
	Project Components	Design Adaptation: for infrastructure facilities		
		Consultancy Service: for construction supervision all infrastructure works		
Contract Administration: for overall campus infrastructure works				
Consultancy Services on : Contract Administration & Construction Supervision				
Civil Works: Construction of roads, sanitary facilities electrical installations and others.				

	Environmental Impact	-		
	Land & settlement Impact	-		
	Estimated budget of the project with break –down of components	-		
	Funding Source(s)	Government Budget		
	Project Budget Approval Date	NA		
	Project Start Date (Planned, Actual)	May 30, 2009 G.C	October 06, 2009 G.C.	-
	Planned/Original Duration for Completing the Whole Project	-	-	-
	Planned or Original Cost of Project	About 600,000,000.00 (Not Verified from Other source)		
DISCLOSURE OF PROJECT INFORMATION				
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the Project at Completion	-		
	Change of project Cost with Reason	-		
	Project Completion Date (Revised, Projected, Actual)	-		
	Actual duration for Completing the Whole Project	-		
	Change of Project Duration	-		

	with Reason	
	Project Scope at Completion	-
	Change of Project Scope with reason	-
	References to Documents for disclosure upon request (Reactive Disclosure)	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291

**NA-Information Not Available (This is to mean that required information or documents were not issued by the concerned bodies (MoE, DTU, Consultants, & Contractors)*

**NR-Not Required*

**Information Completeness & Accuracy (At Procurement Information):45% (Reducing Number of not available/issued information).*

** Information Completeness & Accuracy (At Contract Implementation): 65% >>*

** Information Completeness & Accuracy (At Preliminary Project Information:75% >>*

** Information Completeness & Accuracy (At Project Information at Completion):85% >>*

**- There were no any changes as information obtained from DTU*

GLOSSARY: ALPHABETICAL LIST OF TERMS

Accountability (From CoST's Point of View): CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public;

Bid: Means a stage in the procurement process extending from advertisement of or invitation to bid up to signing of contract.

Bidder: a natural or juridical person submitting a bid;

Bid Proposal: a document submitted by bidders to participate in a bid on the basis of the bid document prepared by a public body in respect of that procurement;

Budget: an amount of money allocated to a project or scheme;

Competitive Tendering: Awarding contracts by the process of seeking competing bids from more than one supplier; **Construction Sector Transparency (CoST) Initiative:** An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector;

Consultant: An organization or individual who has made a contract to provide services;

Consultancy Service: a service of an intellectual and advisory nature provided by consultants using their professional skills to study, design and organize specific projects, advice clients, conduct training and transfer knowledge;

Contract: A binding agreement made between two or more parties, which is intended to be legally enforceable;

Contract Documents: Documents incorporated in the enforceable agreement between the Procuring Entity and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers' responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.);

Contractor: An organization or individual who has made a contract to undertake works, supply goods or provide services;

Contract period: An arrangement for the supply of works, goods or services established for a fixed period of time;

Effectiveness: Effectiveness means the extent to which the entity is able to procure goods, works and services of quality, in a timely and most economical manner.

Employer: In the context of the CoST initiative, the Procuring Entity awarding construction and consultancy contracts for the project; Feasibility study: An evaluation of a proposed project to determine the difficulty and likely success and benefits of implementing the project;

Environmentally Friendly or Environment-Friendly: guidelines and policies that claim reduced, minimal, or no harm upon ecosystems or the environment;

Fairness: Equal opportunity for all interested contractors, suppliers and consultants by providing a level playing field on which to compete and thereby, directly expands the public body's options and opportunities for getting value for money.

Fixed-Price Contract: A fixed price strategy is an approach established a set price for each customer or client regardless of the actual time and materials used for a project. Such a scheme is often used by government contractors to put the risk on the side of the vendor, and control costs.

Standard Bidding Document: Means the document prepared by the Agency to serve as a point of reference in the preparation of bidding documents by Public Bodies.

Technical Specification: Means document describing the quality, type and standard with which the required goods, services, works or consultancy services should comply.

Tender Documents: Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses;

Tender Evaluation: Detailed assessment and comparison of contractor, supplier or service provider offers, against lowest cost or most economically advantageous (cost and quality based) criteria;

Transparency: In the context of the CoST initiative transparency relates to the disclosure of material project information on construction projects;

Total Price: Means payment made by public bodies in respect of a particular procurement which includes taxes and all other incidental costs.

Value for Money: The optimum combination of whole-life cost and quality to meet the PEs and user's requirement;

Works: all work associated with the construction, reconstruction, up grading, demolition, repair or renovation of a building road, or structure, as well as services incidental to works, if the value of those services does not exceed that of the works themselves and includes build-own-operate, build- own-operate-transfer and build-operate- transfer contracts.



CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

ETHIOPIA (COST – ETHIOPIA)

ASSURANCE LEVEL REPORT ON REACTIVE DISCLOSURE OF PROJECT
AND CONTRACT INFORMATION:-

DEBRE TABOR UNIVERSITY: INFRASTRUCTURE PROJECT

By: Endale Bewketu (Assurance Professional)

SEPTEMBER, 2018

ADDIS ABABA, ETHIOPIA

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GLOSSARY

ABBREVIATIONS/ACRONYMS

A/E	Architectures and Engineers
ANRS	Amhara National Regional State
ANRSHDPO	Amhara National Regional State Housing Development Project Office
AP	Assurance Professional
CoST	Construction Sector Transparency Initiative
CYT	Court Yard Type
DHB	Department Head Building
DTU	Debra-Tabor University
E.C.	Ethiopian Calendar
FDRE	Federal Democratic Republic of Ethiopia
ETB	Ethiopian Birr
IDS	Infrastructure Data Standard
MoE	Ministry of Education
MoWUD	Ministry of Works and Urban Development
NMSG-EC	National Multi-Stakeholder Group Executive Committee
PPAA	Procurement & Property Administration Agency
SDT/F	Standard Disclosure Template/Format
TR	Terms of Reference
UCBP	University Capacity Building Program
VAT	Value Added Tax
VOs	Variation Orders

EXECUTIVE SUMMARY

Construction Sector Transparency Initiative (CoST) aims to enhance the Transparency and Accountability of public-funded construction projects. The CoST's expectation is to improve transparency & accountability which can lead to better management facilities & controlled use of public projects and also desirous to disclose accurate and complete disclosed information on selected sample projects during the capacity building training. To ensure that the information released is both accurate and available in a form that can easily be understood by stake holders, it would need to be verified and analyzed by the expert. In order to achieve this crucial task, NMSG-EC has appointed an Assurance Professional (AP) who is responsible to provide the professional expertise on data collection and verification process of reactively disclosed information. AP is also responsible to prepare an intelligible report on accuracy and completeness of the disclosed information by highlighting the main findings and causes of concerns. Thus, AP has taken responsibility to carry out the above mentioned task as stipulated in the contract agreement.

Description of the project and contracts included in the report are described as follows:

Date of Disclosure and Assurance: April 25, 2018 G.C.

Name of Assurance Professional: Endale Bewketu

Project Name: Debre Tabor Infrastructure

Project Location: Project is found in Amhara National Regional State, on the Eastern Part of Historical Town ``Debre-Tabor`` at about 4 (four) kms away from the center of the town and it is located at 11° 51' North of Latitude & 38° 01' East of Longitude.

Project Owner: Debre Tabor University

For the execution of Infrastructure Project, the following contracts have been involved:

Contract 1: Consultancy Service for Design Adaptation and Construction Supervision.

Consultant: MH Engineering PLC Consulting E/A,

Date of Contract Agreement: on May 15, 2009 G.C. between MoE & MH Engineering PLC Consulting E/A.

Contract 2: Consultancy Service for Contract Administration and Construction Supervision.
Consultant: Ultimate Plan PLC Consulting A/E.

Date of Contract Agreement: on 25th September, 2009 G.C. between MoE & Ultimate Plan PLC Consulting A/E).

Contract 3: Works (Infrastructure)-**Contractor:** Amdemichael Temesgen Building Contractor-Grade-III (the contract agreement was made between FDRE- Move, Ten (10) New Universities Construction Project Office and Amdemichael Temesgen General Contractor on the day of 10th June, 2011 E.C.

The service contract for Design Adaptation and Construction Supervision (**Contract 1**) of Debre-Tabor University (which is among Ten New Universities) was issued to MH Consulting Engineers PLC based on the participation of previous 13 Universities Preliminary and Detail Design. For consultancy service of Contract Administration and Construction Supervision Works (**Contract 2**), only two (2) consultants were evaluated for their technical and financial proposals. AP has identified that different Supplementary Contracts such as *Outdoor Sport Facilities and phases I and II Infrastructures Works (Roads, Sanitary, and Electrical Works, for the contract prices of 20, 709, 372.35 million Birr & 14,250,582.21 million Birr including VAT respectively)* have been given repeatedly to the same contractors in addition to the main contract (which was **100,880,626.32 million Birr**). During the overall assessment of documents issued by MoE, Ten New Construction Project Office, AP has identified the causes of construction time delays, due to the unavailability of consultant's construction supervisors on project site & problems in providing job orders to the contractors.

Assurance Professional (AP) has faced some challenges during the first trip of data collection time. In the late time, Later on Especially of obtaining necessary project information and required data (such as *Feasibility Studies & Engineering Cost Estimate Documents, Bid Invitation & Tender Evaluation Documents for consultancy service contracts 1 & 2, Contract Agreement Document*

for CTY & DHB Contractors, Scope or Contract Change Information, Previous Work Progress Reports). It is recalled that CoST-Ethiopia has written a letter on 23/11/2010 E.C. to Debre Tabor University in order to cooperate in providing the required documents depending on the basis of AP's request. Accordingly, DTU has responded on 09/12/2010 E.C. that some main documents were not available in the university; however, DTU has given information where the required documents could be available and found. This will be discussed in detail in the next sections.

1. INTRODUCTION

1.1 Background

Cost Ethiopia is principally about increasing transparency through the release of project information in to the public domain. But it is recognized that the disclosure of this information may not be sufficient on its own to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. To ensure that the information released is both accurate and available in a form that can easily be understood by stakeholders, it would need to be verified and analyzed by the experts.

▪ The Overall Content of the Report:

The CoST-Ethiopia is aimed to know the transparency and accountability issues on publicly-financed Projects. In order to achieve this aim, the National Multi-Stakeholder Group-Executive Committee (NMSG-EC) has appointed an Assurance Professional (AP), who is responsible to carry out the Reactive Disclosure Information on publicly-financed construction projects. In order to perform this task, two sample projects were selected from DTU (the **Infrastructure and CYT and DHB Projects**). Under this part, DTU's Infrastructure Project will be discussed.

AP is responsible to carry out the required task according to the terms of reference (ToR) stipulated in the contract agreement by collecting adequate and relevant documents and information from PE's and where necessary from consultants and contractors in collaboration with the assigned PE's staffs. To do this AP has traveled to the project site on Tuesday March 17, 2018 G.C. During the first project site trip, AP has made short and brief discussions with the contemporary President of DTU and assigned staffs about the overall objectives of CoST-Ethiopia and responsibilities of AP. President of DTU has shown an enthusiastic willingness to cooperate in providing or issuing all necessary documents and information required, and he has directed the letter written by CoST-Ethiopia, the letter asking DTU's cooperation in providing all essential documents and information necessary for Public Disclosure Process to the assigned AP. Based on the available documents and information obtained, AP will verify and analyze the project information for its accuracy and completeness, and produce reports that are clearly intelligible to the non-specialists by highlighting

main causes of concerns. Basically, conducting accurate and complete disclosed information on selected sample projects will rely on the availability of adequate and relevant documents from respective Procuring Entities and if possible from consultants and contractors.

▪ **Objectives of Reactive Disclosure and Assurance Services:**

- ☞ To verify the accuracy and completeness of Infrastructure Data standard (IDS) as outlined in the reactive disclosure information on the sample CoST projects,
- ☞ To analyze disclosed and verified data in order to make informed judgments about the cost, time and scope aspects of the CoST project, and
- ☞ To produce reports that are clearly intelligible to the non-specialist, outlining the findings in regard with the cost and quality of the infrastructure and highlighting any cause for concern that analyzed information revealed on CoST projects.

▪ **Activities of Reactive Disclosure and Assurance Services:**

- ☞ Collects project information from the PEs (in close collaboration with staffs from PEs) and, where necessary also collects information from consultants and contractors on selected projects in order to insure the publication of IDS as outlined in the Reactive Disclosure Standards of CoST-Ethiopia,
- ☞ Verifies the accuracy and completeness of the information collected,
- ☞ Makes site visit to have visual impression of the project and continues to make additional verifications as required,
- ☞ Produces reports that are clearly intelligible to the non-specialist, highlighting the main findings and causes of concern analyzed information reveals,
- ☞ Makes presentation to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the reports accordingly.

▪ **Some challenges that AP has faced during the data collection Process:**

According to the work schedule, the first field trip to the project site was on **Tuesday March 17, 2018**. On the occasion, the short and brief discussions were held with DTU's president and assigned staffs, about the overall objective of the AP's assignment. However, AP has faced certain challenges during the data collection and verification process.

- ✓ Unable to have a contact and communication with DTU's Construction Project Coordinator,
- ✓ Problems in obtaining adequate and relevant documents and information,
- ✓ Existence of limited cooperation in providing available documents and relevant information.

Table 1 List of Documents obtained from MoE & DTU.

Serial No.	Issued Documents	Procuring Entities		Remark
		DTU	MoE	
1	Contract Agreement document for Infrastructure Works (for Contract-3)	✓	✓	
2	Payment Certificates (1-14) of Infrastructure Works	✓	✓	
3	Contract Agreement Documents for 14 contractors who were involved in the construction of CTY & DHB		✓	Out of 14 contractors who were involved, only for 2 contractors of contract agreement documents were issued by DTU.
5	Supplementary works (Road, sanitary, & electrical) contract document.	✓	✓	
6	Variation Orders No. 2 & No.3 for contractors of Infrastructure Works	✓	✓	
7	Contract Agreement document for Consultancy service of Contract Administration & Construction Supervision work		✓	This document exists in the DTU office; however we were unable to provide because it was huge in size.
8	Technical & Financial Evaluation Process Document (unofficial document) for the service of Contract Administration & Construction Supervision Works		✓	
9	Selection information (unofficial Document) for consultancy Service of Design Adaptation & Construction supervision –Contract-1		✓	
10	Progress report	✓		

11	Audit Report Document		✓	
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Table 2 List of documents which were no Issued.

Ser No .	Required Documents	DTU's response about the Documents	MoE's responses about Documents	Remarks
1	Feasibility Study Report Document	This document may be available in MoE, but not available in our office.	Feasibility study was not carried out for the implementation of 10 new universities including DTU	<i>AP has requested Ultimate Plan consulting A/E for the relevant documents in relation to DTU, unfortunately the firm could not cooperate</i>
2	Bid Invitation & Tender Evaluation Documents for consultancy services (contracts 1 & contract 2)	Bid Invitation & Tender Evaluation processes for consultancy services 1 & 2 were performed and evaluated by MoE, thus the documents can be obtained from MoE.	Official Bid Invitation & Tender Evaluation documents are available in our deadly storage room. There were no assigned documentation workers who are responsible and provide the required documents.	
3	“Performance Directive Document” that was used the selection process of Infrastructure Contractor & CYT & DHB contractors.	The selection processes of contractors were based on their previous performances obtained during their participation in the housing development program, and the contract was given to the contractors on fixed price basis, but the so called <i>Performance Directive document used to select contractors is not found in our office.</i>	The Performance Directive Document was prepared by the Addis Ababa Housing Development Agency and distributed to the regional Housing Development Offices, thus the document may be available Offices of Agencies.	
4	Anticipated scope changes and contract prices changes	There were no any anticipated scope and contract price changes during CYT & DHB construction activities.	No information concerning project scope and contract price changes during the DTU project constructions.	
5	Documents related to Engineering Cost Estimates	Engineering Cost Estimate was prepared by MH consulting A/E, after it has got an acceptance from MoE, and the document was distributed to the contractors on fixed price basis, & the document can be obtained from	Engineering cost estimate was prepared by responsibility of Addis Ababa Urban Development Office, and may be available there.	

		MoE & MH Consulting Plc.		
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2. REACTIVE DISCLOSURE OF PROJECT INFORMATION

2.1 Project Overview

The government of the Federal Democratic Republic of Ethiopia (FDRE), in its five years Development and Economic Growth Plan (Sustainable Development and Poverty Reduction Program, 2002-2007), has considered the Education Sector Program as a Cornerstone of the Capacity Building, Poverty Reduction and Sustainable Development Strategy. In addition to ensuring access to elementary education for all citizens, the education sector program aims to expand secondary and tertiary education throughout the country. Special Emphasis is placed on expansion of educational services in underprivileged regions and remote areas to achieve the important objectives of political and administrative decentralization, and balanced and equitable growth of the economy. It is primarily in line with this strategy that the construction of Ten (10) New Universities under UCBP has been envisaged and being implemented.

Debre-Tabor University is among the construction of Ten (10) New Universities to be implemented under five years Development and Economic Growth Plan. DTU was established in 2008 G.C., and its foundation had laid on the eastern part of the Historic Town Debre-Tabor at about 4 (four) Kms away from its center on 126 hectares of land. This area was previously owned by 268 farmers to whom nearly 10.5 million Birr was paid for compensation and rehabilitation. Among the 268 farmers, only 10 ceased farming and engaged in other occupations to earn their living. It was attempted to construct a total of 134 buildings out of which in the first round 35 buildings, in the second round 32 and in the third round 32 were successfully planted while the final 35 are on construction in 2007 fiscal year. Debre-Tabor University is found on the eastern part of historical Town ``Debre-Tabor`` at about 4 (four) kms away from the center of the town and it is located at 11° 51' North of Latitude & 38° 01' East of Longitude.

2.2 Scope of the Project

Debre Tabor University was among Ten (10) New Universities which was established in 2008. It was attempted to construct a total of 134 buildings out of which infrastructure project includes all works of Road, Sanitary and Electrical Installations all around the surrounding campus. The

Overall Facility of Infrastructure works were executed only by one contractor and project is 100% completed and currently it is under service.

The university commenced its mission in 2011(2004 E.C.) and according to the statistics indicated the number of students enrolled in regular programs, in 2004 (2011/2012) Academic Year were about 311 Male & 317 Female Students, total of 628 students. However, this number has grown rapidly to **5015 Male & 2792 Female, total of 7807** enrolled students in Academic Year of 2007 E.C. (2014/2015 G.C.)

2.3 Socio-Economic Benefits (Purpose) of the Project

Debre Tabor University is dedicated to the supply of highly qualified and innovative human resource by providing societal needs-tailored quality education. Students will form the backbone of a qualified and adaptable human resource base that will drive Ethiopia's Economic Development Forward. DTU comprises different facilities in it and among these facilities the infrastructure works were major facilities which provide road accesses, sanitary facilities, and electrical uses for the university communities of beneficiaries.

2.4 Undesired Impacts of the Project

Environmental Impact Issues:

Environmental Impact Assessment (EIA) is a key aspect of many large scale planning applications. It is a technique which is meant to help us understand the potential environmental impacts of major development proposals. In a nut shell, EIA is just an information gathering exercise carried out by the developer and other bodies which enables a Local Planning Authority to understand the environmental affects of a development before deciding whether or not it should go ahead. The really important thing about environmental assessments is the emphasis on using the best available sources of objective information and in carrying out a systematic and holistic process which should be bias free and allow the local authority and the whole community to properly understand the impact of the proposed development. Environmental assessment should lead to better standards of development and in some cases development not happening at all.

Environmental Impact Assessment (EIA) is a key aspect of many large scale planning applications. It is a technique which is meant to help us understand the potential environmental impacts of major development proposals. In a nut shell, EIA is just an information gathering exercise carried out by the developer and other bodies which enables a Local Planning Authority to understand the environmental affects of a development before deciding whether or not it should go ahead. The really important thing about environmental assessments is the emphasis on using the best available sources of objective information and in carrying out a systematic and holistic process which should be bias free and allow the local authority and the whole community to properly understand the impact of the proposed development. Environmental assessment should lead to better standards of development and in some cases development not happening at all.

Construction of DTU which includes infrastructure facilities has required about 126 hectares (1.26 km²) of land, which has been previously owned by 268 farmers, and nearly ETB=10,535,105.70 was paid for compensation and rehabilitation of those displaced Farmers. Among the 268 farmers, only 10 ceased farming and engaged in other occupations to earn their own living standards. AP considers as undesired impact here is that the statement in the document does not explain or address the final destinies of about 258 displaced farmers.

2.5 Source of Funding and Project Cost

The project is fully funded by The Government of Federal Democratic Republic of Ethiopia. From an unofficial source (document without official stamp) the initial estimated budget for the DTU construction project was ETB= 600,000,000.00 (Six Hundred Million). No clear documents or evidences which ascertain or verify this information. This was information was obtained from *Ato Tamene, 11 New Universities Construction Project Office Engineer, MoE.*

2.6 Project Duration

The construction of DTU Infrastructure was divided in Two Phases based on their subsequent priorities. As stated in the contract agreement, the total construction duration for each phase was 365 Calendar days or 730 calendar days (Two Years) for the two phases. The contract agreement for the execution of Infrastructure was made on the date of 10th June, 2011 G.C (04 June, 2003 E.C.)

that is from June 2003 E.C to the End of May 2004 E.C. Even though, at this time project is completed and providing its full service. But no clear evidence or documents were available to disclose whether the project is completed within the specified period of time as contract agreement or not. For the purpose of disclosure process, finding further information will continue and added in the final report.

3. Reactive Disclosure of Procurement and Contract Information contract-1

3.1 Reactive Disclosure of Procurement Information

3.1.1 Overview of the Procurement Process

For the implementation of Ten (10) New Universities, it was desired to hire the suppliers involved who have experience from the previous implementation of 13 Universities under UCBP. It was determined that consultants who were involved in the preliminary and detail design of previous thirteen universities shall be prioritized to carry out implementation of Ten (10) New Universities (including DTU). During the assessment of different documents, MH Consulting Engineers/Architectures was the only consultant who participated in the implementation of 13 universities. Depending on the previous university implementation experience, MH Consultant was selected for the *Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities (including DTU)*.

According to the documents obtained from MoE, only three (3) consultants were registered for their technical and financial evaluation purposes. They were **MH Consulting PLC, Ultimate Plan Consulting PLC and National Consulting Plc**. As stated in the document/unofficial document/ (issued by **Ato Tamene, 11 Universities Construction Project Office Engineer MoE**), MH Consulting Firm was nominated for *Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities (including DTU)*.

The following two points can address as the generalized overview of the procurement process:

- I. The technical and financial evaluation document was unauthorized (document without official stamp),

- II. There were no additional supporting documents to verify the accuracy and completeness of this Information.

3.1.2 Verification of the Reactively Disclosed Procurement Information

3.1.2.1 Completeness of the Disclosed Procurement Information

According to the provided by MoE, MH Consulting E/A was responsible to carry out the execution of Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities including DTU up on the slight modifications from 13 universities., on the basis of adaptation of design standards from construction of 13 universities. The completeness of disclosed information was about 45% based on the average information recorded in the Standard Disclosure Template.

3.1.2.2 Accuracy of the Disclose Procurement Information

Accuracy of the Disclosed Procurement Information mainly relies on the issuance of related documents by each contracting bodies. Very limited documents were issued from MoE, whereas no related documents revealing the procurement process were provided by DTU assigned members, so within the limited provided information, the accuracy of reactively disclosed procurement information will not guarantee accurate of the Disclosed Procurement Information. As required in SDT Accuracy of the Disclosed Procurement Information can be taken as 40%.

3.1.3 Analysis of the Disclosed Procurement Information

3.1.3.1 Compliance of the procurement Process with Rules of Advertisement

The document issued or obtained from MoE, reveals that three (3) candidates, including MH Consulting firm were registered and found under Technical and Financial Evaluation document (unauthorized document), for their final nomination. The overall advertisement process (bid invitation process, bid date, numbers of bidders registered and rejected, official documents for Technical & Financial Evaluation) were not issued by any of PE's. Hence the conformity of overall information being in compliance with rules of advertisement may not address precise information.

3.1.3.2 Efficiency of the Procurement Process (Timeliness)

Bid advertisement, date of bid proposal submission, bid opening and bid evaluation processes information were not found from both Procuring Entities (MoE & DTU). However, DTU's members have responded that 'preparation of Bid Advertisement and Tender Evaluation documents was the responsibility of MoE, so, these documents are not available in our office, but may be available in the MoE'. Thus, AP was unable cross-check and address the complete information whether the procurement process was efficient or not.

3.1.3.3 Fairness of the procurement Rules on Participation

There were no concrete information about procurement rules on participation; as a result AP could not verify fairness of the Procurement Rules on Participation.

3.1.3.4 Transparency of the Tender Evaluation Process

Documents revealing about Tender Evaluation Process were not issued to AP from both PE's, accordingly AP was unable to verify about transparency of tender evaluation process for the selection of consultancy service of contract 1 (Design Adaptation and consultancy service for construction supervision).

3.1.3.5 Objectivity of the Tender Evaluation and the Award Criteria

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract.

The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition. In order to confirm the objectivity of Tender Evaluation and Award Criteria in the implementation of DTU infrastructure works, relevant documents were not issued by the contracting bodies.

3.1.3.6 Competitiveness of the Award Criteria

AP was unable to address complete information and to verify competitiveness of the award criteria among the competitive bidders for consultancy service of contract 1, because no relevant documents were issued.

3.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

According to the latest response or information given by of DTU's staff, "There were no any anticipated changes concerning of original scope, time, and cost issues" during the construction of DTU's infrastructure.

Note: As discussed in the section 4.1.1 above, unauthorized or unofficial document was provided by the MoE, i.e., there were tree (3) candidates who were registered and evaluated for their technical and financial evaluation purposes. According to AP's personal opinion, this document can not be taken as concrete source of information, but simply to address or inform that the formal procedures have been carried out by the MoE for Bid Advertisement and Tender Evaluation processes. Moreover, DTU's assigned members have confirmed that the document revealing about bid invitation & tender evaluation process is not available in their office.

3.2 Reactive Disclosure of Contract Information

3.2.1 Overview of the Contract Information

To overview the Disclosure of Contract Information, the contract agreement was made between MoE and MH Consulting Engineers and Architectures on the day of May 15, 2009 G.C., for the service of Design Adaptation and Construction Supervision of Ten (10) New Universities including DTU infrastructure works, by adapting the design standards with slight modifications from the experience of previous construction of 13 Universities. Under this contract agreement, the employer, MoE will pay MH Consulting Firm a Total Contract Price of **ETB= 11,000.000.00** (Eleven Million Birr including 15% VAT), for the execution of Design Adaptation and Consultancy Service for Construction Supervision of Ten (10) New Universities. The specific contract price for each university (including DTU) was not allocated or indicated in the document provided.

3.2.2 Verification of Reactively Disclosed Contract Information

3.2.2.1 Completeness of the Disclosed Contract Information

As stated in the contract agreement document, MH Consulting E/A was responsible to carry out the execution of Design Adaptation and Consultancy Service for Supervision of DTU implementation, on the basis of adaptation of design standards from construction of previous 13 universities, with certain design modifications. Thus, the information was not cross-checked from other sources. Standard Disclosure Template (SDT) shows that the completeness of disclosed contract information as 55%.

3.2.2.2 Accuracy of the Disclosed Contract Information

The accuracy of disclosed contract information also depends on the availability of adequate and relevant documents and further attempt will continue to provide additional information. SDT shows that the completeness of disclosed contract information as 50%.

3.2.3 Analysis of Reactively Disclosed Contract Information

3.2.3.1 Issues Related to Contract Price

During the assessment of obtained documents, there were no any anticipated contract price changes explained in the document, and in addition to this, according to latest information provided by the project owner (DTU) has confirmed that no contract price changes have been occurred.

3.2.3.2 Issues related to Contract Duration

No contract duration changes were recorded in the available documents. DTU members have also confirmed that there were no contract duration changes from the beginning to the completion of the project. According to the issued documents from MoE, original Contract Period for the service of Design Adaptation was Three (3) Months after the commencement.

3.2.3.3 Issues Related to Contract Scope

During the assessment of obtained documents, AP could not find any related contract scope changes. As stated in the above sections, DTU assigned members have confirmed that there was no any contract scope changes while the construction of DTU infrastructure.

Generally AP has tried all his possible routes to get further information; for instance AP has made a detail discussion with Ultimate Plan Consulting Architectures/Engineers Plc Manager, **Be-Giziabeher Alebel (Dr.)**. During the discussion, AP has kindly requested the manager in order to cooperate in providing all relevant documents or information DTU's projects. For the AP's formal request, the response from the manager was as stated below, "The firm cannot provide or disclose any information about DTU's projects, as our agreement prohibits providing any information or document to the third party". Because of this response, AP was unable to get any document or information from the mentioned consultant.

4. Reactive Disclosure of Procurement and Contract Information Contract-2

4.1 Reactive Disclosure of Procurement Information

4.1.1 Overview of the Procurement Process

The Contract Agreement for the consultancy service of Contract Administration and Construction Supervision Works was made between MoE and Ultimate Plan Plc Consulting Engineers and Architectures, on the day of September 25, 2009. The Procuring Entity has requested the supplier to carry out the above consultancy service and the Procuring Entity shall pay the supplier the contract Price of ETB=5,583,825.00 (Five Million Five Hundred Eighty Three Thousand Eight Hundred Twenty Five, including 15% VAT).

The Period within which the Service shall be commenced is Two (2) Weeks after the signing of the Contract.

- Contract Duration for Design Work was **Three (3) Months** after the commencement of the design works,

- The Construction Supervision and Contract Administration Consultancy Service have been continued until the project completion.

As stated in the unauthorized document (document without official stamp) issued by MoE, bid invitation process has been carried out by the MoE. But the date of bid invitation, total number of registered bidders, and rejected bidders with the reason were not stated in the available document. In the Technical and Financial Evaluation procedures, only two (2) candidates were evaluated for their final nomination.

On the basis of technical and financial evaluation points, *Ultimate Plan Consulting A/E Plc* has been selected for Contract Administration and Construction Supervision Works of both DTU's infrastructure. It was recalled that CoST-Ethiopia has written a letter to 10 new University Construction Project Office, MoE on the day of 09/08/2010 E.C. After accepting the official letter, project office has shown an enthusiastic corporation as much as possible. For this takes, 11 New Universities Construction Project Office Engineer Tamene Yigletu was the responsible one who facilitated providing available documents. He has cooperated providing relevant documents, except bid invitation & Tender Evaluation Documents for both consultancy services contract 1 & 2. After essential discussions, AP has tried to observe documentation store, the store was deadly locked store, i.e. it has been closed for years, no any responsible worker in providing required document, and documents were placed disorderly, thereby difficult to identify the required documents.

Generally the store was highly in a messed condition so that the situation has become very difficult to separate and found the required document as needed. There was no a responsible workers who can identify and provide the desired document. Because of above stated difficult situation, AP was unable to get an official Bid Invitation & Tender Evaluation Documents and has faced producing accurate and complete disclosed information about Bid advertisement and tender evaluation processes.

The figures tabulated in the Table 3 below describes Technical and Financial Evaluation process as was taken from unauthorized (unofficial) document obtained from the MoE. AP is responsible for this information and used this information only to verify that Tender Evaluation processes have been carried out by the MoE.

Table 3. Technical and Financial Evaluation Process

No	Bidders' Name	Final Accepted Contract Amount	Weighted technical score (80%)	Weighted financial score (20%)	Total Score (100%)	Rank
1	Ultimate Plan A/E Plc	ETB=5,494,125.00	72.5	16	88.5	1
2	National Consulting A/E Plc	ETB=5,777,866.00	70.8	14.6	85.4	2

4.1.2 Verification of the Reactively Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

Verifying the completeness of Disclosed Procurement Information substantially relies on the issued or provided documents or information by the concerned procuring Entities. From the Standard Disclosure Format Requirement, the average completeness of reactive disclosure of procurement information was about 55%.

4.1.2.2 Accuracy of the Disclosed Procurement Information

Accuracy of the Disclosed Procurement Information mainly relies on the issuance of related documents by each contracting bodies. Very limited documents were issued from MoE. The Accuracy of the Disclosed Procurement Information can be taken from SDT as 50%.

4.1.3 Analysis of the disclosed Procurement Information

4.1.3.1 Compliance of the procurement Process with Rules of Advertisement

As observed from unofficial document, Ultimate Plan Consulting Architectures and Engineers Plc was select on the basis of Technical and Financial Evaluation process for the execution of Contract Administration and Construction Supervision Works of DTU projects. In order to verify whether procurement process (on time bid invitation, appropriate bidding dates, fair registration of competent bidders, reliable selection and rejection processes) was in compliance with rules of

advertisement or not, it shall have been cross-checked from authorized documents , however this was not happen.

4.1.3.2 Efficiency of the Procurement Process

Official documents revealing about timely bid advertisement, number of registered bidders, rejected bidders, number of selected bidders, date of bid proposal submission, bid opening, appropriateness of bid evaluation process (technical and financial evaluation) were not available, and as a result AP was unable to verify the efficiency of the procurement process.

4.1.3.3 Fairness of the procurement Rules on Participation

In order to verify fairness of the procurement rules on participation solely relies on the concrete evidences or relevant documents, as a result this was not possible due to missing documents.

4.1.3.4 Transparency of the Tender Evaluation Process

For the service of Planning, Design Adaptation, Construction Supervision (Contract Administration), three candidates were evaluated for their Technical and Financial Capacities, as discussed in section 5.1.1; the least bidder or supplier (ultimate Plan Consulting form Plc) was selected among other two candidates. However, this information was obtained from the unauthorized/unofficial document issued by MoE, but it was not cross-checked from the concrete evidences.

4.1.3.5 Objectivity of the Tender Evaluation and the Award Criteria

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract.

The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the

contracting authority and must not be prejudicial to fair competition. In order to confirm the above objectivity of Tender Evaluation and Award Criteria in the implementation of DTU infrastructure works, unwillingness of providing related documents by the contracting bodies has made the information incomplete.

4.1.3.6 Competitiveness of the Award Criteria

Only two consultants were evaluated for the consultancy service of Contract Administration and Construction Supervision. The detail award process was not clearly stated in the available document. As there were no additional supporting documents and clear information, verification and analysis was not satisfactorily carried out by AP in order to compare and contrast the competitiveness of the award criteria between the competitive bidders.

4.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

From the latest response or information obtained from DTU's assigned members, there were no any changes concerning original project scope, time, & cost issues. Moreover, documents revealing the changes of original project scope, time, and cost were not available; AP is responsible for this disclosed information.

4.2 Reactive Disclosure of Contract Information:

4.2.1 Overview of the Contract Information

The contract agreement was made between MoE and Ultimate Plan Plc on the day of **25th September, 2009 G.C.** The procuring Entity has requested the supplier to provide certain consultancy services as defined in the contract. The supplier having represented the Procuring Entity that it has required professional skills, personnel and technical resources, having agreed to provide the services on the terms and conditions set forth in the contract. According to the contract document, the supplier or consultant will provide the overall service on Planning, Design Adaptation and Contract Administration and Construction Supervision.

In the Contact Document, the following statements had been described and agreed between the two parties (MoE and the supplies or consultant):

☞ The Mutual Rights and Obligations of Procuring Entity and the Supplier shall be as set forth in the contract, in particular:

- (a) The supplier shall carry out the services in accordance with the provisions of contract; and
- (b) The Procuring Entity shall pay the supplier the contract price of ETB= **5,583,825.00** (Five Million Five Hundred Eighty Three Thousand Eight Hundred Twenty Five) including 15% VA) and other sum as may become payable under the provision of contract, at the time and in the manner prescribed by the Contract.

The Period within which the Service shall be commenced is Two (2) Weeks after the signing of the Contract. Contract Duration for Design Work was **Three (3) Months** after the commencement of the design works. Planning Design Adaptation, (Contract Administration and Construction Supervision) Consultancy Service has been continued until the project completion.

4.2.2 Verification of Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

Verifying the completeness of Reactively Disclosed Procurement Information substantially relies on the issued or provided documents for cross-checking purposes. Full Contract Document for the service of Planning, Design Adaptation, and Construction Supervision, or Contract Administration and Construction supervision, in some document, was obtained **only** from MoE, Ten New Construction Project Office. Even though, the document issued by MoE, was complete and official document, for need of further cross-checking purpose of completeness of Reactively Disclosed Contract Information, the additional documents/evidences shall have been provided by DTU. Thus, the completeness of disclosed contract information will be one sided. Hence AP has put his own judgment that the completeness of reactive disclosure of contract information was 75% on the basis of SDF requirement.

4.2.2.2 Accuracy of the Disclosed Contract Information

The accuracy of disclosed contract information also depends on the availability of adequate and relevant documents and further attempt will continue to provide additional information. As required in SDT Accuracy of the Disclosed Procurement Information can be taken as 70%.

4.2.3 Analysis of Disclosed Contract Information

4.2.3.1 Issues Related to Contract Price

Documents revealing any deviation or anticipated contract price changes were not issued contemporarily from both of bodies, MoE, and DTU. As a result providing reliable information about changes on contract price compared to the original contract price. Thus, AP was unable to include justified and confirmed information on changes to the original contract price.

4.2.3.2 Issues Related to Contract Duration

As stated in the contract agreement document: the period the expiration of the contract for the design work is:

- I. Three (3) months after the commencement of design work or such other time as parties may agree;
- II. The Construction Supervision and Contract Administration Consultancy Service: up to the completion of the construction work.

4.2.3.3 Issues Related to Contract Scope

Documents explaining or revealing any contract scope or project program changes were not issued by MoE, DTU, Consultants, or Contractors. Basically the documents issued/provided by MoE DTU assigned staff was very limited and further assessment and justification were influenced. Thus, producing necessary and reliable information concerning any changes of contract scope, compared to original contract scope was a crucial problem in this report.

In general the verification of the accuracy and completeness of Reactive Disclosure of Procurement and Contract Information was very limited, because of missing documents relevant to the Bid Invitation and Procurement Processes for **contract-1 & contract-2** consultancy services. Accordingly AP was not able to provide concrete verification and analysis tasks on the overall procedures of Bid Advertisement & Procurement Processes. Furthermore, it was not possible to cross-check whether Bid Advertisement & Procurement Processes were in compliance with rules and regulations of PPAA document or not.

5. Reactive Disclosure of Procurement and Contract Information Contract- 3 (Works)

5.1 Reactive Disclosure of Procurement Information

5.1.1 Overview of the Procurement Process

For construction of DTU's Infrastructure Works (such as Road, Sanitary Installation, and Electrical Installation Works) agreement was made between FDRE- MoE, Ten (10) New Universities Construction Project Office on behalf of Amhara National Regional State Housing Development Project Office and Amdemichael Temesgen General Contractor (Grade-III). The agreement was made on the day of **10th June, 2011 G.C.**

The employer is desirous that the contractor executes the construction of the DTU Phase I and Phase II Infrastructure Works and the employer accepts the Bid by the contractor for the execution of such works and the remedying of any defects there in for the contract price of equivalent of ETB= **100,880,626.32 (One Hundred Million Eight Hundred Eighty Thousand Six Hundred Twenty Six 32/100 including 15% VAT).**

SELCTION PROCESS: The constructions of 10 new universities, including DTU, were under the mandate of MoE from 2002 to 2003 E.C. From 2004 to completion time (completion time not known exactly), it was decided to be constructed under *Regional Housing Project Office* which was established to execute "*National Integrated Housing Development Program*".

The selection process of contractors for the infrastructure was based on the "*Performance Directive*". This Performance Directive was prepared by Addis Ababa Housing Developments Project Office (AAHDPO) and the document was distributed to Regional Housing Development Project Offices. On the basis of Performance Directive, the selection process was performed by a committee comprising five (5) members who were represented from different Regional Organizations (such as Regional Housing Development Project Office, Regional Industry and Urban Development Bureau- Directorates and District Construction Project Offices). Accordingly,

the assigned committee members have nominated three (3) contractors who have Grade-III and above. The assigned committee members have nominated the following contractors:-

- I. Amdemichael Temesgen Building Contractor (Grade-III).....*Selected*
- II. Nigussie Worku Building Contractor (Grade –III).....*Reserved*
- III. Eneyew Alemu Building Contractor (Grade-III).....*Not selected*

Generally the overview of disclosure of Procurement Process information was based on the Performance Directive, which was prepared by the Addis Ababa Housing Development Project Office on the fixed price basis.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The ‘Performance Directive’ document was not available from both MoE, & DTU offices. Contact persons provided information to AP that this document may be available in Addis Ababa or Regional Housing Development Offices. AP has tried to get this document, but obtaining this document was not such an easy task, as result verification of completeness of procurement information, i.e. whether the document is in compliance with rules and regulations of PPAA official document or not could not performed. Based on the documents available, the procedure for the selection of required contractors was based on satisfactory information and lawsuit procedures, therefore the completeness of the procurement information was taken as 75 % complete as it was overviewed from SDT.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The accuracy of the procurement information to an acceptable standard can be considered from obtained documents from both entities and have been cross-checked and verified for its relative accuracy to be about 70% as taken from SDT count.

5.1.3 Analysis of the Reactively Disclosed Information

5.1.3.1 Compliance of Procurement Process with the Rules of Advertisement

The content of “Performance Directive” document shall have been assessed in order to cross-check whether or not the document is in compliance with contents of PPAA document. As this document was not available either in MoE or DTU offices, AP was unable to verify compliance of procurement process with the rules of advertisement.

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

Bid advertisement, date of bid proposal submission, bid opening and bid evaluation processes were not found in the limited provided documents. Thus, efficiency of the procurement process was unable to be cross-checked.

5.1.3.3 Fairness of the Procurement Rules on Participation

Tender Evaluation Process was based on the **Performance Directive**, considering the **best performances** of contractors during their involvement in the construction of Regional Housing Development Program. Accordingly, AP has put his own judgment or perception that the best performance basis or approach may require the use of Standard PPAA Tender Evaluation Process. However, this analysis shall have been cross-checked and verified whether the above mention process requires the PPAA rules or not.

5.1.3.4 Transparency of the Tender Evaluation Process

The “**Performance Directive**” document shall have been cross-checked in order to provide complete and accurate disclosed information concerning Transparency of Tender Evaluation Process. Because of the missing data or information, the verification of transparency of tender evaluation process was not completely addressed.

5.1.3.5 *Objectivity of the Tender Evaluation and award Criteria*

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract. The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract. These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition.

5.1.3.6 *Competitiveness of the Award Price*

For the construction of DTU Infrastructure works, three candidates were involved. The selection process was undertaken by the committee members on the basis of **Performance Directive** document prepared by AA HDPO. In order to cross-check whether the awarded price was competitive or not the overall content of Performance Directive document shall have been examined, unfortunately the document was not available, as a result AP could not realize that the awarded price was a competitive or not.

5.1.3.7 *Overview of Contract Milestones: Original scope, Time and Cost*

Concerning the original scope changes, there were no observed or registered on original contract scope changes. Moreover, DTU staff has confirmed that there were no any anticipated original scope, time and cost changes.

5.2 *Reactive Disclosure of Contract Information*

5.2.1 *Overview of the Contract Process*

The employer is desirous that the contractor executes the construction of DTU Phase-I and Phase-II Infrastructure Works and the Employer has accepted the contractor's Bid document, for such works and remedying of any defects. As stated in the contract agreement document, the commencement

date of the project was after fifteen (15) Calendar days from the signing of the contract. Generally the construction of infrastructure project is divided in to Two Phases, Phase-I & Phase-II.

Activities under Phase-I : (LOT-A: Internal Access Road, Site Electrical Works, and Site Sanitary Works (including ground water reservoir, elevated water tank, septic tank and oxidation pond). (LOT-B: Internal Access Road, Site Electrical Works, and Site Sanitary Works for the second phase.

Activities under Phase-II: - Internal Access Road, Site Electrical Works, and Site Sanitary Works and Fence for the Third & Fourth phase buildings.

It was stated in the contract document, the intended Completion Date for Phase-I works shall be 365 calendar days after the commencement of the project. Similarly the intended Completion Date for Phase-II shall be 365 Calendar days after the completion of phase-I activities (i.e. after 365 days). The completion date of Phase-I and Phase-II shall be at the end of **730 Calendar Days** after signing of contract as stated in detail in the contract document.

5.2.2 Verification of the Disclosed Contract Information:

5.2.2.1 Completeness of the disclosed Contract Information

AP has identified that information provided about contract information on DTU Infrastructure works was sufficient enough to address complete information. MoE and DTU's assigned staffs have provided contract documents comprising similar contents and acceptable information. The issued documents were providing adequate information in a timely manner and kept its consistency across time. Thus, the completeness of the disclosed contract information could be taken as 85% complete.

5.2.2.2 Accuracy of the Disclosed Contract Information

In providing information to an acceptable standard form, the available documents from both parties shall indicate the consistency of the content to be transformed in to the reliable information. The obtained documents show that their contents are consistent and addressable a complete information.

The documents issued by each of concerned entities have been cross-checked and verified for the accuracy of the disclosed contract information and SDF requirement shows about 80 %.

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

Documents revealing any deviation or anticipated contract price changes were not available from bodies, MoE, and DTU. According to the latest information provided from DTU assigned staffs there were no changes concerning contract prices. Thus, AP was not able to provide any concrete information concerning contract price changes during construction of DTU's infrastructure.

5.2.3.2 Issues Related to Contract Duration

According to the assessment of the contract document, the intended completion date was 730 Calendar days for the execution of phase-I and phase-II infrastructure works. There were no documents showing any contract deviation from its project completion time. Latest response from assigned members of DTU has described that no contract duration changes have been happened or occurred during the construction of infrastructure works

5.2.3.3 Issues Related to Contract Scope

The comprehensive information obtained from both parties was describing that issues related to contract scope changes were not occurred during the implementation of infrastructure works. Thus, AP's verification and analysis task is highly relied on the concrete evidences; hence the overall information is limited on the information provided.

Table 4 Payment Certificates for Infrastructure Works

Ser No.	Payment Certificate Numbers (PC. No.)	Net Payment due to Contactor (Amount Paid to the Contractor) including 15% VAT-ETB
1	PC. No 1	1,941,266.52
2	PC. No 2	5,756,211.20

3	PC. No 3	4,798,202.52
4	PC. No 4	7,310,806.10
5	PC. No 5	5,297,819.52
6	PC. No 6	274,3-971.95
7	PC. No 7	1,495,260.08
8	PC. No 8	825,540.56
9	PC. No 9	2,625,391.95
10	PC. No 10	1,728,716.95
11	PC. No 11	1,884,855.55
12	PC. No 12	2,305,093.88
13	PC. No 13	5,569,005.34
14	PC. No.14	1,757,249.47
	Total Payment	43,295,419.64
The total contract price for Infrastructure was ETB=100,880, 626.32.		

Table 5 Variation Orders for Infrastructure

	Variation Orders	Amount	Date of Contract Agreement	Remark
Phase I Lot B	Supplementary contract No. 1	929,900.94	June10/2011	Contractor :Amdem ichael Temesgen G.C. grade III
	Variation Order No. 2	983,735.76		
	Variation Order No. 3	1,587,680.25		
	Total	3,501,316.95		
	15 % VAT	525,197.5		

	Grand Total	4,026,514.49		
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Table 6 Supplementary and/or Additional Works

Ser.No.	Description Items	Contract Amount	Date of Supplementary Contract Agreement	Client	Consultant	Contractor
Supplementary works were: Road, Sanitary & Electrical work (Similar to Main Contract Works)	Phase I- Lot A	6,751,283.05	15 th January, 2015 G.C.	MoE-DTU	Ultimate Plan Consulting Plc	Amdemichael Temesgen G.C
	Phase I-Lot B	983,735.76		>>	>>	>>
	Phase II Additional Work)	4,656,791.81		>>		>>
	Total	12,391,810.62		>>	>>	>>
	15% VAT	1,858,771.59		>>	>>	>>
	Grand Total	14,250,582.21	-	>>	>>	>>

6. Findings and Causes of Concerns

6.1 Findings

6.1.1 Consultancy Service for Design Adaptation and Construction Supervision

In the selection process of a consultant, for **Design Adaptation and Construction Supervision Service (Contract -1)**, the criterion set forth was based on the involvement of implementation of previous 13 universities preliminary and detail design process. During the assessment of unofficial document provided by the MoE, other two (2) candidates (Ultimate Plan consulting Plc and National Consulting Plc) have been submitted their bid proposals. AP has understood that the participation of the other two candidates was simply to fulfill the formality only. Because it is known that the selection process will consider only those consultants who have been participated in the implementation of previous 13 universities. Thus, AP has perceived and identified some inappropriate advertising gaps:

- (a) The invitation of other bidders seemingly unlike to fulfill the criterion set forth, because it is known that only MH consultant has been involved in the implementation of previous 13 universities, thus AP has identified that the invitation of other candidates was simply a prejudice (preconceived judgment or opinion) for the favor given to select MH Consultant.
- (b) Even if the criterion set forth considers the experience as preference or priority of selection process, the overall procedure does not permit wider room or limits the participation of more additional competent bidders, so, from the AP's perception point of view, principles of public procurement (such as Discrimination among candidates, Transparency, and Fairness issues) possibly could have been affected or violated.

6.1.2 Consultancy Service for Contract Administration and Construction Supervision Works

According to the documents issued/obtained from MoE, there were number of information addressing problems associated with the services of Ultimate Plan Plc. The problems stated in the documents were as described below:

- (a) In most cases, consultant side construction supervisors were not available on the project site on time and unable to provide work directions to the contractor side workers;
- (b) There were problems in providing necessary and completed design works to the contractors to begin their construction activities as early as possible in accordance with the time scheduled;
- (c) Problems in submitting copies of contractors' contract agreement that has been made with MoE and consultant's coordination problems with contractor side workers, as a result there were serious problems on day to day construction activities;
- (d) There was Road Design Problems that leads to the extra cost increment and time delay;
- (e) Delay of release of finance on time and as necessitated; were the major ones,
- (f) It is remembered that CoST-Ethiopia had written a letter on 23/11/2010 E.C. to the DTU, for the further provision of essential documents and DTU has responded on the date of 09/12/2010 E.C. with some additional documents. Up on AP's careful observation of those documents, AP has identified that DTU has given a performance letter to Ultimate Plan A/E Plc, which confirms that the previous performance of the firm was 100% blameless, despite the fact that all the above problems (a- e) were happened. According to AP's opinion, providing faultless accomplishment to the consultant was an acceptable and irrational task, because there were several supported documents revealing that there were numbers of problems associated with previous performances of the consultant.

For all findings of problems stated above, AP will take responsibility to ascertain that reactive information provided were identified and taken from the documents obtained from MoE & DTU.

6.1.3 Works (Infrastructure Works-Roads, Sanitary Installation, and Electrical Installation

- I. **Contract Agreement for Supplementary Work:** Construction of DTU's Infrastructure was carried out by the Contractor *Amdemichael Temesgen General Contractor (Grade-III)*. Date of main contract agreement for infrastructure works (Roads, Sanitary & Electrical Installation) was on the day of 10th June, 2011 G.C., at the total contract price of equivalent to ETB= **100,880,626.32** including 15% VAT. In addition to this main contract, a **Supplementary Contract Agreement** was made on the day of **15th January, 2015** (after four years from the main contract date). However, the works to be executed under the

supplementary work were with same name to the main contract (i.e., roads, sanitary, and electrical installation works), at total contract price of ETB=14,250,582.21 including 15% VAT. AP has perceived and identified the following issues, while issuing supplementary work contract for the same and one contractor.

AP's Overviews on the Provision of Supplementary Contract Were:

- (a) There were no clear justifications or reasons stated in the available documents, why those similar works (the same name) were not included during the main contract agreement, if they were the same and similar one? Otherwise, a clear reason shall have been presented in the contract documents.
- (b) To provide supplementary work for the same contractor, the governing conditions such as performance or percentage progress of the main activity should have been stated or tabulated in the supplementary contract agreement document, but these satisfactory conditions were not addressed in any of provided documents. The provision of supplementary work to the same contractor shall not be carried out unless otherwise above criteria were set in the contract document.
- (c) Additional Completion Time was not specified in the supplementary contract agreement document.

6.2 Causes of Concerns

6.2.1 Time Concerns

On order to highlight and produce precise time concerns, adequate and relevant documents shall have been obtained from DTU. The latest responses from assigned members of DTU, the staff has confirmed that there were no time delays during the implementation of DTU's infrastructure. However, AP has identified some of the cause of tome concerns depending on the documents available from MoE.

The following causes of concerns for time delays were stated in the documents available from MoE as follows:

- I. Coordination problems associated with consultant in providing activity schedules and work orders to the contractors;
- II. Associated Road Design problems were obstacles for early start of road construction activities;
- III. Delay of release of finance on time and as necessitated to execute the construction activities properly;
- IV. Existence of inappropriate coordination among the contracting Parties (Client, consultant, and contractor).

As were stated in the documents provided, these causes of concerns were potential causes for occurrence of significant time delays.

6.2.2 Cost Concerns

AP has tried to examine that the time delays were an adversarial causes for the extra time requirements, and increased cost expense. There was no exact figure (number of time delays) stated in any document in a concrete manner, but AP can provide his opinion, it is inevitable if there were time delays during the construction, conversely there should be some cost expenses.

6.2.3 Quality Concerns

The Debre Tabor Infrastructure project was completed before five years ago, and currently it is providing its full service for its intended purposes. Unfortunately, AP was unable to inspect quality aspects of the existing structures, during his first project site trip, because DTU's security condition was so tight and prohibitive. Even it was not permitted to take any photographs of surrounding structures for visual inspection purposes. But the photographs incorporated in this report were secretly taken by AP's own responsibility, without any permission from DTU's security staff. Thus, quality issue was no so far basic concern for this discussion, because the project is completed and already in use.

7. Conclusion and Recommendation

7.1 Conclusion

The objective of this project task is to enhance the Transparency of Procuring Entities (PEs) and Construction Companies by Disclosing Infrastructure Data Standard at all Stages of Construction Project Cycle, from the initial identification of project to the final completion. The principal aim of CoST is about to increase transparency through the release of project information into the public domain. In order to ensure that the released information is both accurate and available in a form that can easily be understood by stakeholders, it would need to be verified and analyzed by Assurance Professional appointed by the Multi-stakeholder Group Executive Committee.

The Assurance Professional is responsible to verify and analyze Reactive Disclosure of Information on Contract and Procurement Processes on the selected projects and has to produce reports that are clearly intelligible to the non-specialist, by highlighting the major findings and causes of concerns. Producing convincing and sound reports mainly relies on the adequate and relevant documents obtained from respective contracting bodies such as client or owner, consultant and contractor.

- ☞ ***Documents revealing Bid Invitation and Tender Evaluation Processes:*** for Consultancy Service of Design Adaptation and Construction Supervision (***Contract-1***);
- ☞ ***Documents revealing Bid Invitation and Tender Evaluation Processes:*** for Consultancy Service of Contract Administration and Construction Supervision Works (***Contract-2***);
- ☞ Amhara National Regional State ***“Performance Directive”*** Document used for selection process of contractors for Infrastructure Works (***Contract-3***);

Each party has given its own answer for the non issuance of above mentioned documents:

MoE: Responses the documents of Bid Invitation and Tender Evaluation processes for Contract-1 & 2 are available in the dead file or document shelf, but there is no an organized staff who is responsible to find and provide these documents from such dead and disorganized document Shelf.

DTU: Responses that the above mentioned documents are not available in DTU’s office, but may be available in the offices of MoE.

Consequently AP was not able to produce complete and accurate Reactive Disclosure of Information about Bid Invitation and Tender Evaluation Processes.

The main findings Causes of Concerns under this Assignment were:

- Generally there were critical problems in documentation handling and organization, especially as observed from DTU project offices;
- There were early construction delays (time delays) that can be taken as major causes for cost increments;
- Provisions of supplementary work contracts for the similar one individual contractor, without setting major preconditions, if so, this situation leads a controversial and disputable actions among the parties, moreover if the actions were not appropriate and reasonable, the chances of participation of other contracting bodies will be affected and violated,
- The unorganized and uncoordinated relations between consultants and contractors have created problems during the early project construction activities, thereby leading to the unexpected project cost increases and considerable time delays (as stated in the provided documents).

7.2 Issues Recommended for Further Review

- ✧ In most cases, the existing data handling and organization system is an obsolete system, thus it has to be modernized and scientific data-base system;
- ✧ Obtaining adequate and relevant documents or information from Client /owner, consultant and contractors is a crucial problem, to enhance the commitment and transparency among the contracting parties, supplementary promotions shall be widely applied to the contracting parties;
- ✧ The applicability of the Standard Bidding Document (SBD) prepared by the Agency to serve as a point of reference in the preparation of bidding documents by public bodies shall be maintained and consistently used especially in publicly financed projects;
- ✧ When Public bodies use the procurement Methods such as Single Source/Direct or Restricted Procurement Methods, the conditions that have contained in the procurement Methods , shall be clearly stated and explained in the contract documents prepared by any public bodies;
- ✧ AP recommends that the Reactive Disclosure of Information on public projects shall be usually considered before their full completion period from AP's perception point of view. AP presumes performing before the completion period may help in an early control successive construction

activities. From the previous experiences, most members of PE's were not collaborative in providing adequate project information for the projects where their progress statuses were about 95% and above were completed.

LIST OF FIGURES



Figure 1-Library, Vision and Mission of DTU



Figure 2-Dormitories (CYT+DHB Buildings) & Road Section (Infrastructure



Figure 3- Main Administrative Buildings and Road Sections



Figure 4-Laboratory Buildings

Annex 1. Standard Disclosure Format for Contract and Project Information Disclosure

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR INFRASTRUCTURE OF DTU				
PHASE	ITEMS OF DISCLOSURE	DESIGN (Contract 1)	CONTRACT ADMINISTRATION & CONSTRUCTION SUPERVISION -(Contract 2)	CONSTRUCTION WORKS (Contract 3)
PROCUREMENT INFORMATION (30 ITEMS)	Date of Disclosure	April 25,2018	April 25,2018	April 25,2018
	Contract Title	Detail design of DTU Infrastructures	Contract document preparation & construction supervision	Construction of DTU Infrastructures
	Location	Addis Ababa	Addis Ababa	Bahir-Dar
	Procuring Entity	MoE	MoE	MoE on the Behalf of ANRHDP
	Source for further Information	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291	☞ MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 ☞ DTU Construction Project Office Mobile Phone: +251-911042291
	Date of Procurement Notice	NA	NA	NA
	Floating Period of Procurement notice	NA	NA	NA
	Media Used for Procurement Notice	NA	NA	NA
	Method of Procurement	Direct Procurement	Open Bidding	Restricted Tendering
	Type of Procurement	Consultancy Service	Consultancy Service	Works
	Procurement Procedure	Direct Procurement	Open Bidding	Performance Directive
	Evaluation Criteria	NA	Best Technical Fitness	Performance Directive

Type of Contract & Project Delivery Method	Unit Price+ Design Bid Build	Lump sum+ Design Bid Build	Unit Price
Type and Amount of Bid Security	-	-	-
Content of any Complaint lodged	-	-	-
Engineer's Estimate	-	-	-
Date of bid opening	-	-	-
No. of Bidders Participated, rejected, declined to submit	-	-	-
Award Firm/Contracting Firm	MoE	MoE	MoE, on behalf of ANRSHDP
Date of Contract Award	May 15, 2009 G.C	25 th September , 2009 G.C.	10 th June, 2011 G.C
Award Price/Original contract Price	ETB =11 Million including VAT for Ten New Universities as a whole, not specified for Individuals (including DTU)	ETB= 5,494,125.00 Including 15% VAT	ETB=100,880,626.32 including VAT
Unit Contract Price(Price/Km, price/Sq. m)	-	-	-
Contract Security Type & Amount	-	-	-
Date of Contract Signing	May 15, 2009 G.C	25 th September , 2009 G.C.	10 th June, 2011 G.C
Contract Scope	Design Adaptation of DTU	Contract Administration throughout project completion	Construction of Roads, Sanitary, Electrical Installation
Description of Contract & Contract Components	Design Adaptation of DTU up slight modifications from previous 13 universities experience and Consultancy service for Construction Supervision	Consultancy Service for Contract Administration and Supervision Works of roads facility, Sanitary works, Electrical Installation works of DTU	Works-Construction of campus road facilities, Campus sanitary Works, Electrical Installation works
Contract Administration Entity	-	Ultimate Plan Consulting A/E Plc	-
Contract duration	3 Months	Until the completion of Infrastructure construction works	730 Calendar days (Two Years)
Contract Start Date	Two weeks after commencement	Three weeks after Commencement of Design	Two weeks from the signing of contract.

			Work	
	Intended completion Date	Three months for design	End for construction	-

DISCLOSURE OF CONTRACT IMPLEMENTATION

CONTRACT IMPLEMENTATION (14 ITEMS)	Contract Status (ongoing % progress, terminated, completed)	Completed		
	Completion date(Revised, Projected, Actual)	-	-	-
	Change to contract Duration with Reason	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration
	Amount of Liquidated Damage, if applied (Penalty for Delay)	-	-	-
	Contract price (Revised, Projected, Actual)	There were no any contract price changes	There were no any contract price changes	There were no any contract price changes
	Changes to Contract Price with Reason	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration	There were no any changes in relation to contract duration
	Scope at Completion	DTU have enrolled students starting 2005 E, C, No. of students increasing from time to time each year & about 7807 total students were enrolled in the year of 2007 E.C.		
	Change to contract Duration with Reason	-	-	-
	Total Payment Effected	ETB =11 Million including VAT	ETB= 5,494,125.00 Including VAT	Complete Payment Certificates were not issued to know total payment effected
	Warranty Type & Description	-	-	-
	Details of Termination if Applied	There was no any termination applied	There was no any termination applied	There was no any termination applied
	Safety Measures (Accident & Death)	NA	NA	NA
	Quality of Work (Very Good, Good, Inferior,	DTU Project was completed before five years ago, for its major components like road works, sanitary installation works, electrical installation works, student dormitories, lounges, so quality issue was not		

	Impossible to comment)	inspected during the first project site visit.		
	Disputed Issues & Award Details	Construction of DTU has required about 126 hectares (1.26 km ²) of land, which has been previously owned by 268 farmers. The disputed farmers were nearly paid ETB= 10,535,105.70 for compensation and rehabilitation purposes for the displacement of farmers from their farm lands.		
DISCLOSURE OF PROJECT INFORMATION				
PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of Disclosure	April 24,2018	April 24,2018	April 2,2018
	Project Owner	Debre Tabor University		
	Project Name	Debre Tabor University Infrastructure		
	Sector, sub-sector	Education		
	Project location	Debre Tabor Town (East Gondar)		
	Project Purpose	To provide facility to the beneficiaries		
	Project Description	Development or Construction of Infrastructure works DTU includes Road works, Sanitary works, Electrical installation works, sport facilities and others, for the contemporary students and permanent dwellers of university		
	Original Project Scope	There was no any change on the original project scope.		
	Project Components	Design Adaptation: for infrastructure facilities Consultancy Service: for construction supervision all infrastructure works Contract Administration: for overall campus infrastructure works Consultancy Services on : Contract Administration & Construction Supervision Civil Works: Construction of roads, sanitary facilities electrical installations and others.		
	Environmental Impact	-		
	Land & settlement Impact	-		
	Estimated budget of the project with break –down of components	-		
	Funding Source(s)	Government Budget		
	Project Budget Approval	-		

	Date			
	Project Start Date (Planned, Actual)	May 30, 2009 G.C	October 06, 2009 G.C.	June 30, 2011 G.C
	Planned/Original Duration for Completing the Whole Project	There was no change	There was no change	There was no change
	Planned or Original Cost of Project	About 600,000,000.00 (Not Verified from Other source)		
DISCLOSURE OF PROJECT INFORMATION				
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the Project at Completion	There was no completion cost chages		
	Change of project Cost with Reason	There was no project cost change		
	Project Completion Date (Revised, Projected, Actual)	Project was completed according to its schedule, hence there was no any revised completion date		
	Actual duration for Completing the Whole Project	Project was completed according to its actual project duration.		
	Change of Project Duration with Reason	There were no any project duration changes during DTU's CYT & DHB construction activities		
	Project Scope at Completion	There was no scope change at the project completion		
	Change of Project Scope with reason	There were no any project scope changes during DTU's CYT & DHB construction activities		
	References to Documents for disclosure upon request (Reactive Disclosure)	MoE , 10 New Universities Project Construction Office Mobile Phone: +251-911366748 📞 DTU Construction Project Office Mobile Phone: +251-911042291		

**NA-Information Not Available (This is to mean that required information or documents were not issued by the concerned bodies (MoE, DTU, Consultants, & Contractors)*

**Information Completeness & Accuracy (At Procurement Information):45% (Reducing Number of not available/issued information).*

** Information Completeness & Accuracy (At Contract Implementation):65% >>*

** Information Completeness & Accuracy (At Preliminary Project Information):75% >>*

** Information Completeness & Accuracy (At Project Information at Completion):85% >>*

**The above information based on the latest DTU's response given during the CoST-Ethiopia's request for the provision of additional documents.*

** -There were no any changes as information obtained from DTU*

GLOSSARY: ALPHABETICAL LIST OF TERMS

Accountability (From CoST's Point of View): CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public;

Bid: Means a stage in the procurement process extending from advertisement of or invitation to bid up to signing of contract.

Bidder: a natural or juridical person submitting a bid;

Bid Proposal: a document submitted by bidders to participate in a bid on the basis of the bid document prepared by a public body in respect of that procurement;

Budget: an amount of money allocated to a project or scheme;

Competitive Tendering: Awarding contracts by the process of seeking competing bids from more than one supplier; **Construction Sector Transparency (CoST) Initiative:** An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector;

Consultant: An organization or individual who has made a contract to provide services;

Consultancy Service: a service of an intellectual and advisory nature provided by consultants using their professional skills to study, design and organize specific projects, advice clients, conduct training and transfer knowledge;

Contract: A binding agreement made between two or more parties, which is intended to be legally enforceable;

Contract Documents: Documents incorporated in the enforceable agreement between the Procuring Entity and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers' responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.);

Contractor: An organization or individual who has made a contract to undertake works, supply goods or provide services;

Contract period: An arrangement for the supply of works, goods or services established for a fixed period of time;

Effectiveness: Effectiveness means the extent to which the entity is able to procure goods, works and services of quality, in a timely and most economical manner.

Employer: In the context of the CoST initiative, the Procuring Entity awarding construction and consultancy contracts for the project; **Feasibility study:** An evaluation of a proposed project to determine the difficulty and likely success and benefits of implementing the project;

Environmentally Friendly or Environment-Friendly: guidelines and policies that claim reduced, minimal, or no harm upon ecosystems or the environment;

Fairness: Equal opportunity for all interested contractors, suppliers and consultants by providing a level playing field on which to compete and thereby, directly expands the public body's options and opportunities for getting value for money.

Fixed-Price Contract: A fixed price strategy is an approach established a set price for each customer or client regardless of the actual time and materials used for a project. Such a scheme is often used by government contractors to put the risk on the side of the vendor, and control costs.

Standard Bidding Document: Means the document prepared by the Agency to serve as a point of reference in the preparation of bidding documents by Public Bodies.

Technical Specification: Means document describing the quality, type and standard with which the required goods, services, works or consultancy services should comply.

Tender Documents: Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses;

Tender Evaluation: Detailed assessment and comparison of contractor, supplier or service provider offers, against lowest cost or most economically advantageous (cost and quality based) criteria;

Transparency: In the context of the CoST initiative transparency relates to the disclosure of material project information on construction projects;

Total Price: Means payment made by public bodies in respect of a particular procurement which includes taxes and all other incidental costs.

Value for Money: The optimum combination of whole-life cost and quality to meet the PEs and user's requirement;

Works: all work associated with the construction, reconstruction, up grading, demolition, repair or renovation of a building road, or structure, as well as services incidental to works, if the value of those services does not exceed that of the works themselves and includes build-own-operate, build- own-operate-transfer and build-operate- transfer contracts.



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

DRAFT REPORT

On

**Assurance of disclosed Project and Contract Information
and disclosure of additional information of Multipurpose
Hall Building Project for Aksum University**

Assurance Professional: Gebremedhin Abraha

July, 2018
ADDIS ABABA, ETHIOPIA

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LIST OF ACRONYMS (ABBREVIATIONS)

CoST	Construction Sector Transparency Initiative
NMSG	National Multi-sector Group
NMSG-EC	National Multi-sector Group Executive Committee
CDSC	Construction Design Share Company
CDSWC	Construction Design & Supervision Works Corporation
BUDSWS	Building & Urban Design & Supervision Works Sector
AU	Aksum university
ITB	Instruction to Bidders
SBD	Standard Bidding Document
BSS	Bid Submission Sheet
NCB	National Competitive Bidding
FDRE	Federal Democratic Republic of Ethiopia
FPPA	Federal Public Procurement Authority
FPPAA	Federal Public Procurement and Property Administration Agency
PPP	Public Procurement Proclamation
ETB	Ethiopian Birr (Currency)
FEACC	Federal Ethics and Anticorruption Commission
MOFED	Ministry of Finance and Economic Development
PE	Procuring Entity
AP	Assurance professional
IDS	Infrastructure data standard
MPI	Material Project Information
VAT	Value Added Tax
LC	Letter of Credit
GCC	General conditions of Contract
SCC	Special conditions of Contract

1. EXECUTIVE SUMMARY

Ethiopia is one of the few countries that are exercising CoST. The initiative is managed by a NMSG-EC that represents the interests of government, the private sector, and civil society.

The aim and objective of the project level assurance is to enhance the transparency of publically financed construction projects by reducing mismanagement and enhancing accountability of project stakeholders such as procuring entity, consulting and construction firms by improving accountability through disclosure of project information at all stages of the construction project cycle, from the initial identification of the project to the final completion. The disclosure is conducted by collection of the construction project information and verification of the information for completeness and accuracy.

The NMSG-EC has selected the project to be disclosed based on the following criteria:

- Sector i.e. building construction
- Status of the project i.e. on-going during the time of selection
- Government financed project
- Projects with public visibility

On March 2018 the NMSG-EC of Cost-Ethiopia has assigned Ato Gebremedhin Abraha to conduct disclosure and assurance of the multipurpose hall for Axum University. The project is located in the town of Axum inside the main campus of Axum University. The hall was designed to serve various types of conferences and meetings such as graduation ceremony. The AP has taken responsibility regarding the disclosure of information for this particular project.

The procuring entity, Aksum University has disclosed some of the MPI on a template in the FPPAA website; however information regarding to contract extension, duration of extension, reason for extension are not disclosed. Moreover the template lacks information regarding increase of contract price, amount of increment and reason for increment; hence the AP works on complete MPI according to disclosure standard of CoST-Ethiopia, to make the disclosure complete.

The Employer is Axum University. Contracts included in the project were: design, construction supervision and construction works. Design and supervision contracts were carried out by CDSC now called BUDSWS, while the works contract was carried out by Yotek Construction PLC.

The disclosure and assurance focuses on the overall process of procurement, from design to construction stages for there was no any feasibility study of the project. The absence of feasibility study could not be justified.

During preparation of this report, the project was already completed and become operational though final acceptance was not conducted.

There was no any procurement process for design and construction supervision; rather it was directly given to a government owned enterprise i.e. CDSC now called CDSWC. Such practice is not competitive, debars potential contenders and not preferable procedure in terms of value for money (vfm). The reason for giving the service directly to CDSC could not be justified.

The works contract was awarded to the winner, Yotek Construction PLC based on the least financial offer i.e. best economic advantage to the PE. The financial competition was among those bidders whose bid was response to the bidding requirement by conducting technical evaluation after on the 2nd procurement notice of NCB. The evaluation methodology and criteria was according to the Bid Data Sheet (BDS), which is the standard bidding form.

During the 1st procurement notice of NCB it was Zamra Construction who had passed the evaluation with the least financial offer. The tender evaluation committee of the Consultant who conducted the evaluation i.e. the then CDSC had recommended Zamra Construction based on the tender evaluation result; however the bid was cancelled due a certain reason that couldn't be justified while this draft report was under preparation. Zamra Construction lost when the tender was done for the second time. The AP has made effort to get from the PE any document that justifies cancellation of bid but was not possible due to lack of proper documentation on the PE's archive.

The Consultant, BUDSWS of CDSWC has verbally informed the AP about the availability of the document and promised to provide; however it was not possible to acquire the document until the date of submission of this draft report. The reason for not acquiring the document, according to BUDSWS, is mix-up of various types of documents while the firm was going through restructuring. The AP still hopes that the document may be available sometime in the future.

The retendering process, after the 2nd procurement notice, was conducted by the same Consultant BUDSWS of CDSWC. Only four out of nine contractors has submitted their bid for consideration. During the process of technical evaluation one bidder failed to pass the technical evaluation; therefore the financial competition was only among three contenders. The winning price is ETB 247,149,196.24, the 2nd list offer was 252,785,563.49 (2.3% higher) and 253807625.57 (2.7% higher) than the least price.

Cost of construction has risen by 19% of the original contract price due to various variation works that were initiated by the Employer (AU). The employer's interest was increasing during the course of construction, whereby numbers of variation works reach nine with cumulative value of ETB56,397,142.76 and accordingly the cost has risen from ETB247,146,597.13, which is originally contract price, to ETB298,161,262.47 during the provisional acceptance. Such significant variation work can be an indication of inadequate planning.

Original contract period was 540 calendar days; however the actual duration has extremely extended and rose to 1203 cal. days. This indicates the project was delayed by 663 calendar days; which is 122% of the original contract period. This had significant negative impact on the Employer's programme and cost. Apart from programme disorder, the Employer has paid the supervising consultant for additional 22 months even though the planned cost was only for 18 months.

2. INTRODUCTION

2.1 BRIEF ON THE OVERALL CONTENT OF THE REPORT

The report is carried out to record, assess, analyze, and highlight findings with recommendations obtained from the disclosure of information.

Public sector infrastructure projects make a major contribution to the economic growth and poverty reduction of a nation. However, mismanagement and corruption during the planning and implementation of construction projects can undermine the expected social and economic benefits.

The Construction Sector Transparency Initiative (CoST) is a multi-stakeholders initiative designed to increase transparency and accountability in the construction sector. The aim of the CoST initiative is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public sector construction projects. It achieves this aim through the public disclosure of key project information at all stages of the construction project cycle, with specific focus on the period from the award of the main contract for construction until the final build (implementation phase).

It is, however, recognized that the disclosure of this information on its own may not be sufficient to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. An independent Assurance professional (AP) is therefore appointed by the NMSG-EC who will be responsible for assessing the adequacy and reliability of disclosed project information and highlight any causes for concern that the information reveals.

A number of building projects have been identified by the NMSG-EC of CoST-Ethiopia of which multipurpose hall for Axum University is one of the selected projects for disclosure.

CoST requires project owners and procuring entities to disclose for all eligible projects and contracts at specified stages during the construction project cycle. Disclosure of project information is one of the objectives of the assurance process in CoST. Accordingly, CoST – Ethiopia had disclosed various construction projects since its establishment by employing Assurance Professionals, though the disclosures should have been made by the Procuring Entities (PEs) themselves.

The establishment of a system whereby the PEs disclose by themselves was not at a satisfactory level, hence Cost-Ethiopia has understood the necessity of conducting training to staffs of the PEs so as to make the disclosure process maintainable. Accordingly the initiative has arranged training programs to representatives of nominated public institutions, of which Aksum University is one of the selected institutions. The Training was conducted on the basics of CoST and application of the website of Federal Public Procurement and Property Administration Agency (FPPPPAA) for the disclosure of contract and projection information.

Following the above stated training, the PEs were expected to disclose the required information of selected projects using the template posted on the website of FPPPPAA. Accordingly Aksum University has disclosed information regarding the execution of a Multi-purpose hall on the website. The effort of AU to disclose is highly appreciable, however the template is not complete

for information pertaining to contract extension is not disclosed. Moreover the template posted lacks information pertaining to change in scope and cost of project.

Reactive disclosure and assurance related to availability of additional information presented in a usable form, in an accessible place and under a specified set of conditions is required. Therefore the NMSG-EC of CoST-Ethiopia has assigned an Assurance Professional, which is responsible for conducting collection of the construction project information and verification of the information for completeness and accuracy.

The Assurance Professional has conducted a site visual inspection on the progress and quality of the works while preparing this draft report. He has observed that the project is completed and become operational but still within the defects liability period (maintenance period).

Procurement and contract information was availed from the PE, while conducting visit of the project site and from the Consultant's head quarter in Addis Ababa. Documents availed from both entities were verified against each other but the documents that could be availed only from the Consultant were verified by examining original seals and signature of authorized officials.

Based on the information availed, the draft report analyzes the service and works contract in; compliance with procurement procedures during tendering stage; and compliance with contract administration of works and consulting services during implementation phase. Part of the documents availed from PE were verified by the documents availed from the Consultant; however missing documents in PE's archive were collected only from the Consultant, in which case the documents were verified according to original stamp and signature of officials.

2.2 OBJECTIVE OF THE ASSURANCE PROCESS

The Objectives of the assurance process are:

1. Increase transparency and accountability of Procuring Entities (PEs) in public sector construction projects by increasing access to information. Greater transparency enhances environment for domestic and foreign direct investment.
2. Enhance understanding of construction project costs amongst public sector clients, industry and wider society.
3. Disclosure of material project information on a selection of construction projects at all stages of the project cycle, from the initial identification of the project to the final completion and ensure that the information that is released is available, complete and accurate
4. Produce report as required by the NMSG-EC that is clearly intelligible to the non-specialist, outlining the extent, accuracy of information released, findings regarding the cost and quality and highlighting any cause for concern of the specific building project

2.3 ACTIVITIES OF THE ASSURANCE PROCESS

The Assurance Professional has entered contract agreement with CoST-Ethiopia to carry out the assurance process for Multipurpose Hall Project of Aksum University. The activities to be done were based on the Terms of Reference in the contract agreement. The assurance process comprises of various activities with details shown below.

Preparation of work schedule

The assurance professional has prepared schedule of work in accordance to the agreement entered with CoST-Ethiopia in order to perform the assurance process. The schedule incorporated activities such as collection of information, verification, analysis and preparation of report on information verification and analysis.

Collection of Information and Data Verification

CoST-Ethiopia has written a letter to Aksum University (PE) regarding the assignment of an AP who is responsible for the assurance process of multipurpose hall. The PE was well informed ahead regarding the disclosure of IDS and already assigned contact person (Ato Mebrahtu) who will be responsible in assisting the AP in information gathering. The person assigned is staff of the project office of the PE. At first the AP has visited the project site in order to:

- a. Physically understand the status of building project.
- b. Observe if there is any visible thing that undermines the quality of work
- c. Assist the PE in collecting documents that are available in Employer's archive and/or the project site office

The AP has visited the site together with the Ato Mebrahtu and Resident Engineer of the supervision Consultant. Consequently the AP together with Ato Mebrahtu gathered relevant documents pertaining to the assurance process such as construction contract agreement, bid evaluation document (partially), variation orders, time extension approval documents, certificates of payment among others. The PE was very cooperative in providing the required documents, though it was tiresome due to documentation problem of the project office. Some of the required documents could not be availed at all.

Certain documents such as design contract agreement, supervision contract agreement, invitation to bid for works and parts of bid evaluation report were collected from the Consultant,

Verification of Information

In the course of the assurance process, verification work has been carried out to validate the completeness and accuracy of the material project information. Documents availed from the PE were verified against the documents from the Consultant; however those documents missing in the PE's archive but availed from Consultant were verified by original official seal and signature of authorized personnel.

Analysis of Information

Analysis of the disclosed information is conducted in order to make informed judgements with particular attention about the changes and justifications of changes observed in the cost and duration of the building project by highlighting causes of concern.

Report preparation

The report regarding data collection, verifications, analysis and causes of concern is prepared according to 'standard content of project level assurance report' a format provided by CoST-Ethiopia, which was an annex to the contract agreement between CoST-Ethiopia and the Assurance Professional.

Standard template for disclosure of contract and projection information, which is also provided by CoST-Ethiopia, is annexed to the report (Annex 1)

2.4 CHALLENGES OF THE ASSURANCE PROCESS

Main challenge of the assurance process of the project was problems in collecting the document. The individual assigned by the PE to assist the AP in collecting documents pertaining to project disclosure was very cooperative. However the documents were not organized in an archive which can be traced without difficulties. As a result part the documents used for disclosure were found only in the consultant's archive.

The Consultant's archive is better regarding documentation, as compared to the procuring entity; however the collection of documents from Consultant took considerable time. The reason for this, according to the Consultant is misplacement of documents while the corporation was on the process of restructuring.

Most of the required documents for disclosure are available either at PE archive or Consultant's archive or both, though few documents could not be availed until the completion of this draft report. Following is of documents that could not be availed.

1. Feasibility study and environmental impact assessment
2. Engineer's estimate
3. Amount of budget allocated for the project
4. Completion date for design service
5. Reason for direct award of the design and supervision service without tendering
6. 1st procurement notice for works contract
7. Technical evaluation for works contract according to 1st procurement notice
8. Document that justifies why the bid was cancelled after Zamra Construction won based on the 1st procurement notice
9. Type and amount of contract security

3. DISCLOSURE OF PROJECT INFORMATION

3.1 PROJECT OVERVIEW

The project is a part of the Aksum University expansion. It is a single building intended for conducting various types of meetings and conferences and university graduation ceremony. It is located in Aksum inside the main campus. Site work around the building that encompasses vehicle parking lot, roads and fountain are parts of the project.

- Name of project: Multipurpose hall for Axum University at Aksum project No. D8-014/2005
- Consultant: CDSC lately called CWDSC
- Contractor: Yotek Construction PLC
- Contract signing date: 09/04/2006 E.C.
- Mobilization period: 21 calendar days
- Commencement date: 01/05/2006 E.C.
- Contract duration/original: 540 calendar days
- Total time elapsed up to completion: 1203 calendar days
- Intended completion date: 26/10/2007 E.C.
- Actual completion date: 11/09/2009 E.C.
- Awarded contract amount/original: ETB 247,146,597.13
- Value of variation works: ETB 56,397,142.76
- Construction contract amount/at completion: ETB 298,146,597.13

3.2 SCOPE OF THE PROJECT

Originally the project scope is the hall, which encompasses main conference hall, mini-conference hall, syndicated room and cafeteria and site work associated with the multipurpose hall; however at the interest of the Owner (AU) some variation works were executed during the course of construction.

3.3 SOCIO ECONOMIC BENEFITS (PURPOSE) OF THE PROJECT

Document pertaining to feasibility study could be availed neither from the PE nor from the Consultant; as a result any written document that clearly explains well studied socio economic benefits of the project could not be included here in the report. However, it can be understood that the MPH with syndicate rooms is vital for the university.

The project purpose is to have a multipurpose hall fully equipped with sound system in order to conduct meetings, conferences and special venue such as graduation ceremony. The site work encompasses fountain, roads and adequate vehicle parking associated with the hall.

3.4 UNDESIED IMPACTS OF THE PROJECT

There is no document pertaining to environmental impact assessment that leads to make judgement about undesired impacts of the project. Moreover there is no any negative impact of the project that is observed or reported.

3.5 SOURCES OF FUNDING AND PROJECT COST

On the bid invitation paper, it is cited saying that “The Aksum University have funds Government of FDRE budget to be used for the procurement of Aksum university expansion project with in the Employer’s budget to be used for the procurement of Aksum University Expansion”. This shall clearly confirm that it funded by the university’s budget financed by the Ethiopian Government.

3.6 PROJECT DURATION

- Date of site handover: 09/04/2006E.C
- Mobilization period: 21 calendar days
- Commencement date: 01/05/2006E.c
- Contract duration: 540 calendar days
- Completion date: 26/10/2007E.C

Project duration according to contract agreement between Aksum University and Yotek Construction PLC was 540 calendar days; however the actual time elapsed up to the date of provisional acceptance is 1203 with 663 calendars days of delay. The delay is 122 % of the original contract duration, which is quite significant.

The main causes for extended duration are various additional works (variations to contract); which were initiated by the Employer during the course of construction. According to the document provided regarding time extension it was only 11 days that are approved due to rainfall exceeding 10mm; hence it can be concluded that most of the delay is time required for executing variation works and delays associated with these variations.

In accordance to the terms of the supervision agreement, the Consultant is authorized to approve justified time extension only up to 25% of the original contract duration. If the justified time extension exceeds 25%, the Consultant can only make analysis and recommendation and then it will up to the Employer to approve the extension.

Apart from the days that are approved by the PE the Contractor has claimed for time lost due to unavailability of certain construction materials on market and moreover due to shortage of foreign currency (LC); however such request for extension was not accepted. For instance the last claim for extension, by the Contractor was 682 calendar days, but only 82 days were accepted by the Consultant and approved by the Employer.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONSULTANCY SERVICE

4.1 DISCLOSURE OF PROCUREMENT INFORMATION

There was no any procurement process for design and construction supervision service. The service was directly given to government owned consulting company, the then Construction Design Share Company (CDSC) now called Building and Urban Design and Supervision Works (BUDSW) sector of the Construction Design and Supervision Works Corporation (CDSWC).

For the design service the PE has requested CDSC by letter to submit his reasonable offer in order to carry out the design of multipurpose hall together with four other buildings as a package. Therefore there was no separate offer provided for the project under consideration. Consultant's response for the requested offer, by PE and any document that clarifies negotiation of price or direct acceptance could not be availed.

For the supervision service it was stated, on the contract agreement, that the PE has requested the Supplier to provide certain consultancy service; however the letter for such requested is not attached with the agreement. Moreover there was no document that clarifies negotiation of price or direct acceptance of the Consultant's offer.

4.2 DISCLOSURE OF CONTRACT INFORMATION

The contract information for design and supervision was available only in the consultant's archive; hence the information could not be verified against other sources, the PE. However the contract agreement availed from the Consultant bears original seal of the PE and the Consultant and moreover original signatures of the authorized official i.e. President of AU and CEO of CDSC. Therefore the AP has accepted that the contract agreements for services, design and supervision as true. As mentioned in the findings of the disclosure, the PE was very cooperative in searching all documents pertinent to the project, but was not able to find out some of the documents, of which the above mentioned contract agreements, due to the absence of well-organized central archive.

4.2.1 DESIGN CONTRACT

Overview of Contract

The design contract was given based on the letter of request of the PE, Aksum University to CDSC dated 23/02/2005E.C. AU has requested the designer to submit his reasonable service fee for the design of five building of which multipurpose hall is one. The PE in his letter has specified the following requirements for the multipurpose hall:

1. a hall that can accommodate 2500 persons at a time
2. Additional three conference rooms
3. an office
4. a cafeteria and
5. photo gallery

The agreement was signed on 02/06/2005 to provide the service on the terms and conditions of the contract with mutual rights and obligations of the Employer and the Consultant as stated here:

- a) The Consultant shall carry out the service in accordance with the provisions of the contract and
- b) The Employer shall pay the Consultant the contract price of ETB 2,509,768.04 (two million five hundred nine thousand seven hundred sixty eight &4/100). The contract price includes the design fee for other buildings to be designed together with multipurpose hall as a package.

On the programme and description of the service, which is part of the contract agreement four building with total area of 15360m², including the multipurpose hall, are scheduled to design. The multipurpose hall was scheduled to have total area of 9300 m².

Contract milestones

Date of request of PE to Consultant to submit offer: 23/02/2005 E.C

Date of contract signing: 02/06/2005 E.C

Commencement date: 09/06/2005 E.C

Contract duration: 150 calendar days

Intended completion date: 08/11/2005 E.

Actual date of completion of the design contract is not disclosed here for information pertaining to the date of actual completion of the design service could not be availed from the PE or the Consultant.

Contract Scope

The scope of the design service is as stated in the terms and conditions of the contract agreement. The scope of service to be rendered can be summarized as follows:

- soil investigation
- surveying
- Detail engineering design including design drawings
- Engineer's estimate
- Design report

Disclosure of Information for Design Service

The PE has disclosed project and contract information on the FPPAA web site only for supplier 1, which is the works contract. Nevertheless the PE didn't disclose anything about the design contract, which can be named as supplier 2. Therefore information regarding the design service contract is not disclosed on the web site.

According to the disclosure standard of CoST-Ethiopia, majority of the information regarding the design service is disclosed as indicated in the annex to this report; however the disclosed information is not complete for vital information such as actual completion date of contract, type of contract security, amount of contract security, changes in scope of service, change in duration are not disclosed or are not justified if there were no changes to scope of services, duration and

contract price. The quality of design is not stated or explained for there is no report provided regarding the completion of the service.

4.2.2 SUPERVISION CONTRACT

Overview of Contract

As stated in the contract agreement for supervision service, “the PE has requested the Supplier to provide certain consultancy services as defined herein and attached to this contract”; however the letter of request is not attached to the agreement. As it was mentioned earlier in section 4.1 of this report, the contract was directly awarded to the then called CDSC now CDSWC.

The contract was signed on 28/04/2006E.C between Aksum University and CDSC to carry out supervision and contract administration of multipurpose hall. The contract has extended with the extension of the works contract automatically as it was stated in the Special Conditions of Contract for supervision and contract administration.

Contract data

Contract type: time based

Date of contract signing: 28/04/2006E.C

Commencement date: site hand over date of the works contract

Contract duration: 540 calendar days

Intended completion date: 26/10/2007E.

Cost of supervision: 54,000.00 Birr/month

Consultant's approval limit for cost: approval of variation less than 10% of the contract price

Consultant's approval limit for time: claims approval except delay justification less than 25% of
the contract time

Contract cost

The cost of supervision and contract administration was agreed on monthly basis. The original contract duration was 540 calendar days (18 months), accordingly the intended total cost of supervision was ETB972,000.00. In the SCC it was stated that in the event the project is not completed within the specified period, the contract agreement will be extended automatically until the project is completed. The PE shall pay for the extra time at the same monthly rate calculated for the original period of the agreement.

The works contract was delayed by 663 calendar days. When the sum is turned in to months the extended time is equivalent to 22 months; as a result the supervision contract has extended by 22 months and became 40 months hence the total supervision cost has increased by ETB1,188,000.00 and rose to ETB2,160,000.00. The increase in supervision cost is quite high i.e. 122% of the intended cost while entering the contract agreement. Such percentage increase has significant cost implication to the PE.

The delay is mainly due to variation works that are initiated by the PE. Since the variation works significantly affected the cost of the works and supervision contract, the AP believes that the Consultant advises the PE about the cost implication. However there is no any document that rationalizes the implication of cost increment.

Disclosure of Information for Supervision Service

The PE has disclosed project and contract information on the FPPAA web site only for supplier 1, which is the works contract. Nevertheless the PE didn't disclose anything about the supervision contract, which can be named as supplier 2. Therefore information regarding the supervision service contract is not disclosed on the web site.

According to the disclosure standard of CoST-Ethiopia, majority of the information regarding the supervision service is disclosed as indicated in the annex to this report; however the disclosed information is not complete for vital information such as type and amount of contract security, changes in scope of service and change in contract price are not disclosed or are not justified if there were no changes.

5. DISCLOSURE OF WORKS CONTRACT

5.1 DISCLOSURE OF PROCUREMENT INFORMATION FOR WORKS

1.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

Procurement procedure for selecting the firm that undertaken the construction work begins with inviting bidders, through newspaper, to submit their offer up to the bid closing date; which is the deadline for bid submission (21/01/2006E.C). The bid floating period was 30 calendar days.

The bid was opened on the same date it was closed (21/01/2006E.C) in the presence of all parties i.e. PE, Consultant and bidders.

Evaluation methodology and criteria was based on a standard bidding format provided to all bidders who collected the tender document. The criteria incorporate the listed below items:

1. Legal qualification of the bidder
2. Professional qualification and capability of the bidder
3. Technical qualification, competence and experience of the bidder
4. Financial standing of the bidder

Technical evaluation for prequalification, that was conducted based on the qualification information started from checking the responsiveness of the entire bidders offer. Detail technical evaluation was conducted for those bidders whose bid was responsive; accordingly those bidders who fulfil the requirement were legible for financial competition; then the tender committee of the CDSC submitted his recommendation to the Employer.

Financial evaluation was conducted to select the bidder with the least offer. The tender committee of the Consultant has conducted arithmetic checking of all offers and identified the least offer; then has submitted the result of financial evaluation for Employer's decision.

The Employer has notified the Consultant by letter that he has accepted the result of evaluation and instructed the Consultant to inform the winner and prepare contract agreement for signing.

1.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.2.1 COMPLETENES OF THE DISCLOSED PROCUREMENT INFORMATION

In the invitation to bid it was stated which category of contractors (suppliers) are eligible to participate in the bid. It was also stated that the bidding will be conducted in accordance with the open national tendering procedures contained in the Public Procurement Proclamation of the FDRE and open to all eligible bidders. Moreover the invitation to bid comprises of the listed below information that are vital to all prospective bidders:

- a) address where interested bidders may obtain further information regarding the bid
- b) address where the complete set of bidding document can be purchased
- c) Place, date and time for delivery of bids.
- d) Place, date and time for bid opening
- e) List of documents that should be incorporated in the bid
- f) Reason for automatic rejection from the tender

Technical Evaluation

In the preamble to the technical evaluation, it was stated that nine bidders have purchased the tender document of which four bidders have submitted their offer; however list of those bidders who collected the tender document is not attached to the evaluation document. In the bid opening process the date, time, place and names of persons who attend the bid is listed. The list also includes telephone numbers and list of organization which the attendants represent.

The evaluation document includes completeness, signing and seals of the bid documents of the four bidders. The type and responsiveness, in accordance to the bidding requirement, of the bank guarantee is also included in the bidding document.

The detail technical evaluation was conducted by assigning codes to the bidders. In the evaluation document only annual volume of construction work and experience in similar nature of work are attached. On the conclusion and recommendation, it was stated that all detail steps of evaluation are shown though documents that indicate fulfilment of bidders offer according to BSS is not attached to the evaluation document.

Financial Evaluation

The financial evaluation document comprises the bid opening date, time, place and names of persons who attend the bid. The list also includes telephone numbers and list of organization which the attendants represent. The bid documents were checked for correction of arithmetic and responsiveness in accordance to the bidding requirements. The tender evaluation committee made conclusions about the result of financial evaluation and submitted the evaluation report for PE's decision.

Subsequent to technical and financial evaluation and recommendation of the tender committee of the consultant the following procedures are disclosed:

- a) Letter of acceptance of the PE to the result of evaluation and recommendation and requesting the Consultant to prepare contract agreement
- b) The Consultant's notification letter to the bidders regarding the tender result
- c) Consultant's letter for submitting contract agreement to PE for signing with the successful bidder

Most of the disclosed information is available, but documents that are listed under are not attached to the technical evaluation report:

- a) List of bidders who purchased the bid document
- b) Professional qualification and capacity of the bidder that includes number of staff and personnel for the key positions
- c) Technical qualification particularly equipment required for the implementation of the contract
- d) Not occurring of non-performing contracts and pending litigations
- e) Financial resources

Based on the above information provided and verified documents, we can say that the disclosed procurement information is not complete.

5.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

Part of the procurement information obtained from the PE was checked against the documents provided by the Consultant. Some of the documents that could not be availed from PE were collected from the Consultant. The documents that are availed from the Consultant alone were checked for accuracy by verifying original seals and signature of authorized persons. Therefore the AP believes that the disclosed procurement information is accurate.

1.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1 COMPLIANCE OF THE PROCUREMENT WITH RULES OF ADVERTISEMENT

The advertisement was open for eligible bidders in accordance to the tendering procedure of the FPPAA. Prerequisite for purchasing the tender were stated on the ITB, which was submission of written application, VAT registration certificate, MoWUD certificate, trade licence and bid participation supporting letter. Based on these conditions nine bidders have purchased the tender document.

Bidders were required to submit sealed technical proposal, financial offer and bid security ETB 250,000.00 (two hundred fifty thousand). Signed and sealed standard bidding document (SBD) was supposed to be returned with technical proposal. Accordingly four bidders have submitted their bid up to the end of bid submission date, which is 30 calendar days from the advertising date.

In the course of technical and financial evaluation, responsiveness of bidders' offer was checked against the points mentioned in the invitation to bid and or instruction to bidders. In the advertisement it was stated that bidding will be conducted in accordance with the open national tendering procedures contained PPP of the FDRE. Therefore it can be concluded that the procurement was in compliance with the rules of the advertisement.

5.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS

The invitation to bid was posted on 28/12/2005E.C. Exactly after 30 calendar days, which is the bid floating period, the bid was closed on 21/01/2006E.C and opened on the same date in the presence of all parties i.e. PE, Consultant and bidders. The Consultant has completed the technical evaluation on 07/02/2006E.C; two weeks after bid opening. Financial evaluation was completed on 05/03/2006E.C. On 24/03/2006E.C the Employer has informed the Consultant that he has accepted the results of financial evaluation and accordingly notified him to prepare contract document for the winner. Two weeks later on 08/04/2006E.C the Consultant has submitted the contract document to the employer for signing. The contract agreement between the Employer and Contractor was signed the following day on 09/04/2006E.C.

Based on the above timing in the procedures of procurement, it can be concluded that the procurement process was efficient.

5.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The invitation to bid was particularly for contractors with category GC1 or BC1 with valid licence for the current year. Class of contractor is related with the capacity to execute the intended construction. The bidding was conducted in accordance with the open national tendering procedure contained in the Public Procurement Proclamation of the FDRE and was open to all eligible bidders.

Interested eligible bidders were given opportunity to obtain further information regarding the bidding document from the Consultant who posted the bid.

The bid floating period (30 calendar days) was adequate for the interested bidders in order to prepare and submit their offer

Based on the disclosed information, concerning the procurement process, it can be concluded that the procurement rules were fair on participation.

5.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The bid was posted on Ethiopian Herald with floating period of 30 calendar days, hence the AP believes that the newspaper is well known and the bid floating period was adequate for supplies to prepare and submit their offer.

The bid was opened in the presence of all parties i.e. PE, Consultant and bidders. The qualification information for prequalification evaluation was based on the standard bidding document and the main criteria for winning the bid was least financial offer provided that the bidders pass the qualification criteria.

Out of the four contenders, one bidder didn't fulfil the requirements of the evaluation criteria during the course of evaluation; as a result the bidder was excluded from further evaluation.

The financial offers for three eligible bidders who have passed the technical evaluation were opened by the tender committee of the Consultant in the presence of representatives of the Consultant and competing bidders. The offers were checked for the correction of the arithmetic and then the bidder with least offer was recommended by the Consultant to the Employer.

The Consultant, who conducted the evaluation, has notified the name of the winning company and winning price to the two bidders who lost the bid; hence the tender evaluation process was transparent

5.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

The qualification requirement for bidders was classified as compliant or non-compliant to the bidding requirement. The bidding requirements were legal, professional, technical and financial qualification, which are achievable for a category of contractor GC1 or BC1. The bidding forms indicated in table 5.1 below was used to evaluate a bid and determine whether a bidder has the required qualification. The table comprises all mandatory documentary evidence establishing the bidder's qualification; hence the tender evaluation was objective. Bidders were supposed to provide all the information requested in the forms included in the table.

The factor, requirement, criteria and supporting documents that are evidences for fulfilling the requirements assure the objectivity of the tender evaluation. All the documents that prove the evidences are assumed to be inspected during evaluation, though some of them are not attached to the technical evaluation report. To assure completeness, the AP believes that it is vital either attaching the proof of evidence or at least indicate on the technical evaluation report that such documents were inspected and checked for responsiveness.

The criterion for awarding the contract was the lowest price provided that the bidder's offer was responsive to qualification requirements set forth in the Bidding Document based on the documentary evidence establishing the Bidder's legal, professional, technical, and financial qualification.

Table 5.1 Bidding Forms

Factor	Requirement	Criteria	Documents Required	Remarks
1. Legal Qualification of the Bidder				
1.1 Nationality	Nationality in accordance with ITB clause 4.2	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.2 Conflict of interest	No conflict of interest as described in ITB clause 4.3	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.3 Registration in the FPPA's suppliers list	Having been registered in the FPPA's suppliers list in accordance ITB clause 4.7	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.4 Debarred by the decision of the FPPA	Not have been debarred by the FPPA's from participating in accordance ITB clause 4.4	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.5 Valid trade licence	Having been submitted valid trade licence in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
1.6 VAT registration certificate	Having been submitted VAT registration certificate in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
1.7 Valid tax clearance certificate	Having been submitted tax clearance certificate in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
2. Professional Qualification and Capacity of the Bidder				

2.1 Number of staff	At least 10 staff currently work for the bidder	Must meet the requirement	Bidder certificate of compliance	Not attached to evaluation report
2.2 Persons for the key position	Position, qualification, total experience and experience in similar works as per stated in BSS	Must meet the requirement as per stated in BSS	Technical proposal with attachments	Not attached to evaluation report
3. Technical Qualification, Competence and Experience of the Bidder				
3.1 General experience	Successful completion of equivalent project of nature and complexity over the last three years	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
3.2 Special experience	At least 70% completion of similar building contract with contract value not less than 80 million over the last three years	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
3.3 History of non-performing contracts	Non-performance of a contract did not occur within the last five years or fully settled dispute or	Must meet the requirement	Bidder certification of compliance	Not attached to evaluation report
3.4 Pending litigation	Pending litigation shall in total not represent more than 2% of the bidder's net worth	Must meet the requirement	Bidder certification of compliance	Not attached to evaluation report
3.5 Equipment for implementation of the contract	The bidder must demonstrate that will avail type and number of equipment listed in BSS	Must meet the requirement	Technical proposal with attachments	Not attached to evaluation report
4. Financial Standing of the Bidder				
4.1 Historical financial performance	Submission of audited financial statements for the past three years as required in ITB clause 15	Must meet the requirement	Bidder certificate of compliance with attachments	Not attached to evaluation report

4.2 Average annual turnover	Accomplishments of construction work with average value of at least ETB 80 million over the past three years. The value is accepted provided that it is verified by external auditor or revenue authority.	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
4.3 Financial resources	The bidder must demonstrate access to credit facility or availability of financial resources to meet the cash-flow requirements	Must meet the requirement	Bidder certificate of compliance with attachments	Not attached to evaluation report

5.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Out of the nine bidders who collected the bid document, four bidders submitted their bid offer and three of them passed the technical evaluation. Accordingly the financial competition was among three bidders. The award price was Birr 247,150,624.08 and the other offers who lost the bid were Birr 252,690,176.62 (2.2%) and 253,807,569.56 (2.7%) higher than the list offer respectively. To conclude that the award price is complete, it would have been better to disclose the Engineer's estimate prepared by the design Consultant so as to compare the estimate with the award price. On the contract agreement for design, it was mentioned that preparation of cost estimate is part of the service to be rendered though the estimate is not disclosed. In the absence of estimated figure we cannot conclude that the award price is complete.

5.1.3.7 OVERVIEW OF THE CONTRACT MILESTONES

Contract agreement was signed on the 9th of Tahsas 2006E.C for the execution of multipurpose hall at Aksum main campus within 540 calendar days with contract price of Birr 247,150,624.08. The contract has varied significantly with duration and cost. The duration has extended to 1203 calendar days and construction cost has risen to ETB 298,161,262.47

5.2 DISCLOSURE OF CONTRACT INFORMATION FOR WORKS

1.1.4 OVERVIEW OF THE CONTRACT

The construction contract agreement was signed between Aksum University (the Employer) and Yotek Construction PLC (the Contractor) on the 9th of Tahsas 2006E.C after the Employer accepted the bid by the contractor for the execution and completion of multipurpose hall at Aksum main campus within 540 calendar days and remedying of any defects therein for the contract price of ETB 247,146,597.13 (Two hundred fourty seven million one hundred fourty six thousand five hundred ninety seven and 13/100)

In consideration of the payment to be made by the Employer to the Contractor, the Contractor has made a covenant with the Employer to execute and complete the works and remedy any defects in conformity in all respects with the provision of the contract. The Employer also made a covenant to pay the Contractor in consideration of the execution and completion of the works and remedying of defects herein.

The work was agreed to execute in accordance with the law specified in the Special Conditions of Contract. The SCC was taken, among others as part and parcel of the contract agreement.

The contract incorporates a general item, which is a facility for the supervising consultant's staff among a multipurpose hall and site work.

1.1.5 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

1.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

Aksum University has disclosed project and contract information on the FPPAA web site, based on the template provided on the web site; however information regarding identification, preparation, contract extension, duration of extension and reason for extension are not filled on the template provided. Therefore the disclosure lacks completeness. Moreover the template, among others, includes contract extension information but does not include changes in cost of construction, which is vital information to the prospective users of the web information. The AP

believes that disclosure of actual project cost is vital to those who utilize the information posted on the FPPAA web site.

The disclosure standard of CoST-Ethiopia incorporates wide-ranging contract information regarding construction project. The standard template, which is an annex to this report, is compiled according to the verified information regarding the project under consideration. Most part of the contract information are disclosed; however information regarding the type and amount of contract security is not attached to the contract agreement. Therefore the information pertaining to the contract is not complete.

1.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Most of the disclosed contract information provided by the PE was verified against the document in the hands of the consultant; however some of the documents required for disclosure were available only in the consultant's office. The accuracy of such documents can be accepted pertaining to bearing of original seal and signature of authorized officials of the PE and the Contractor.

1.1.6 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO CONTRACT PRICE

Originally the contract price was Birr 247,146,597.13; however the price has increased by 19% and rose to Birr 298,161,262.47 during the provisional acceptance

The change in contract price was due variation works that were initiated by the Employer in the course of execution of the contract. The Consultant has maintained the procedure in approving the variation works that affected the contract price. All the variation works were justified.

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

As compared to original contract period i.e. 540 calendar days, the contract duration has significantly increased. The actual time elapsed up to the date of provisional acceptance was 1203 calendar days with 663 calendars days of delay, which is 122 % of the original contract duration.

Various reasons have been recorded for the extension of contract duration; but it was mainly due to variation works. The time extension has gone more than 25% of the original contract duration; hence the consultant submitted to employer for approval; consequently the employer has accepted the increased duration as justified.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

The scope of work according to contract was construction of multipurpose hall and site work associated with it; however the scope of work was slightly affected due to variation works such as supply and fixing of table and chair.

6. CONCLUSION AND RECOMNDETION TO THE MSG

6.1 CONCLUSION

Causes of Concern

There was no any procurement process for design and construction supervision for the service was directly given to a government owned consultant – BUDSWS the then called CDSC. In order to increase transparency the reason for awarding the contract without completion was supposed to be disclosed by the PE.

The procurement process of construction works for the first time was based on NCB, through the process of technical and financial evaluation. However the bid was cancelled after the consultant identified the winner and recommended him to the PE. In accordance to clause 39 of the SBD the PE reserves the right, to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award. According to clause 40 the SBD, there are circumstances to issue invitation to bid for a second time, but in this case not disclosed. Therefore in order to increase transparency of the bidding process it would have been important disclose the reason for rejection of the first bid.

The construction work duration was prolonged significantly from 540 calendar days to 1200 calendar days, with 660 days of delay; which is 122% of the original contract duration. The Consultant was contractually authorized to approve delay not exceeding 25% of the original contract (135 days); as a result most of the days of delay were approved by the Employer after the Consultant conducted analysis of delay justification and recommended it to the Employer.

The actual date of completion has controversial figures when the documents were verified. According to the last analysis and approval of delay justification, the intended completion date has to be on 16/08/2009E.C; however it was stated, on the same document, that the work is not completed. In the certificate of provisional acceptance it was stated that the actual completion date as 18/08/2009E.C, two days later of the above mentioned date. Contrary to this the officials who conducted the acceptance process have signed the document on 11/09/2009, which is likely to be the actual date of acceptance. The difference, 25 calendar days are not justified according to the analysis for delay justification.

Such significant delay affects the Employer's programme and objective, so it has negative implication in achieving his goal.

The delay was mainly due to variation works that were added during the course of construction. The works that were added later could have been planned in the design stage. There is no any document that indicates whether or not the PE was advised by the Consultant regarding these additional works

The construction cost has risen by ETB 51,014,665.34 (21%) of the original contract price due to variation works that were originated by the Employer. The Consultant was contractually authorized to approve cost increment within the contingency amount i.e. 10% of the original contract amount; as a result the increment that has exceeded 10% was approved by the Employer after the Consultant issued variation order.

Total increment of cost including the supervision for additional 22 months is ETB 52,202,665.34, which is significant. Such increment affects the Employer's budget that could be allocated for other

purposes. The increment is due to variation works that arise during the course of construction; hence such cost increment could be managed by proper planning during the design stage.

Conclusion

There was no any document regarding feasibility study and environmental impact assessment or at least explanation for not executing the study. Therefore the assurance professional believes that the disclosure of information is not adequate to make an informed judgement regarding the feasibility and socio economic impact of the project.

The design and supervision service was directly given to government owned consulting company without competition. Even though such practice is possible the reason for awarding the contract was not disclosed; therefore it not possible to conclude whether the award without out completion was justifiable or not.

The procurement process of construction works for the second time was also based on NCB, through the process of technical and financial evaluation. The evaluation process was clear and all the documents related to the evaluation process were complete. Out of the nine bidders who purchased the tender document only four of them have submitted their offer for consideration, of which one has failed to pass the technical evaluation. Accordingly the financial competition was among three contenders, which can be said as narrow competition. Differences from the least offer of the other two offers were only 2.3% and 2.7% respectively.

It is understood that prolonged project duration seriously affects the Employer's programme, causes unnecessary expenses and undermines accountability. For this specific project, main causes of delay were variation works. The Assurance professional believes that variation works with significant values could have been put in tender to get the advantage of competitive market in terms of cost and time.

The variations that were added during construction have opened room for the contractor to claim exaggerated time. For instance the contractor has claimed for a specific variation work 682 calendar days, which is quite longer than the time agreed for the whole work; however the number of days approved for the variation work were only 82 calendar days. Therefore proper planning during the design stage will lead to minimizing variation works that may arise during implementation; as a result it will be advantageous for the PE in terms of time and cost.

The award price for the works contract was the least offer amongst the three contenders who fulfilled the qualification criteria. It was not possible to conclude that the award price is fair and complete in the absence of Engineer's Estimate. In order for the stakeholders to have an informed judgment regarding the award it is vital to disclose the Engineer's Estimate prepared by the design Consultant.

6.2 ISSUES RECOMMENDED FOR FURTHER REVIEW

The Assurance professional understands that the primary aim of CoST is to enhance the transparency and accountability of publicly financed projects. The improved transparency would be supportive for better management of public finances and will reduce corruption. Hence it is advisable that any procurement process be properly planned for unplanned procurement with inadequate time for procurement process leads to give contracts without proper tendering process.

Cooperation of the PE and the consultant in providing necessary documents is appreciable; however collection of information from the PE was difficult due to the absence of well-organized

archive of the project documents. Some of the relevant documents could not be availed even after making considerable effort. In order to increase transparency, it is recommended that procuring entities must be well concerned about the importance of proper documentation pertinent to a construction project from inception to completion and even more for a couple of years.

The project delay was mainly due to the time required to execute the variation works, hence the consequence of variation works was not only cost increment but also significant delay. Therefore it is recommended to conduct analysis on the effect of variation works apart from issuing variation orders. The documents disclosed regarding variations do not indicate any analysis and justification regarding the effect of variation works.

According to the bidding form there some qualification criteria not indicated on the technical evaluation report. The evidences must be mentioned in the report if the documents are vast or difficult to compile in the report

7. GLOSSARY

Accountability: CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public.

Budget: an amount of money allocated to a project or scheme

Competitive Tendering: Awarding contracts by the process of seeking competing bids from more than one contractor.

Construction Sector Transparency (CoST) Initiative: An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector.

Consultant: An organisation or individual who has made a contract to provide services.

Contract: A binding agreement made between two or more parties, which is intended to be legally enforceable.

Contract Documents: Documents incorporated in the enforceable agreement between the Procuring Entity and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers' responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.)

Contractor: An organisation or individual who has made a contract to undertake works, supply goods or provide services.

Contract period: An arrangement for the supply of works, goods or services established for a fixed period of time.

Cost estimate: A cost estimate prepared by the buyer of works, goods or services which provides a benchmark or a basis for evaluation and/or negotiation when tenders/offers are received from bidders. It also serves as an instrument of project planning and budgeting.

Employer: In the context of the CoST initiative, the Procuring Entity awarding construction and consultancy contracts for the project.

Feasibility study: An evaluation of a proposed project to determine the difficulty and likely success and benefits of implementing the project.

Material Project Information (MPI): MPI in this context is intended to indicate that information disclosed on a project is sufficient to enable stakeholders to make informed judgements about the cost and quality of the infrastructure concerned.

Procurement: The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

Procuring Entities (PEs – also referred as clients and contracting authorities): The State, regional or local authorities, bodies governed by public law or associations formed by one or several of such authorities that procure works, goods and services with full or part public funding.

Programme: The projected timing of activities required under the contract.

Provisional acceptance: a conditional acceptance which means that the Employer has accepted the project but performance needs to be verified or confirmed under operational conditions within an agreed period.

Provisional acceptance certificate: a certificate to evidence conditional acceptance to be issued when the warranty period starts.

Supervision contract: a contract with a consultant to oversee the performance of the contractor on the construction work, to give a level of reassurance to the Employer about the quality of the work.

Stakeholder: is an organization or group involved in business and therefore has responsibilities towards it and an interest in its success.

Tender: An official written offer to an invitation that contains a cost proposal to perform the works, services or supplies required, and is provided in response to a tendering exercise. This normally involves the submission of the offer in a sealed envelope to a specified address by a specified time and date

Tender Documents: Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses

Tender Evaluation: Detailed assessment and comparison of contractor, supplier or service provider offers, against lowest cost or most economically advantageous (cost and quality based) criteria.

Transparency: In the context of the CoST initiative transparency relates to the disclosure of material project information on construction projects.

Value for money: is the most advantageous combination of cost, quality and sustainability to meet customer requirements

Annex 1: STANDARD TEMPLATE FOR DISCLOSURE OF INFORMATION

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	Date of disclosure	June 2018 G.C		
	Contract title	Construction of MPH	Design of expansion works	Supervision & contract administration of MPH
	Location	Aksum university main campus	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Procuring entity	Aksum university	Aksum university	Aksum university
	Source of further information	AU construction project office	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Date of procurement notice	28/12/2005E.C	N/A	N/A
	Floating period of the procurement notice	30 days	N/A	N/A
	Media used for procurement notice	News paper	N/A	N/A
	Method of procurement	National competitive bidding	Direct appointment	Direct appointment
	Type of procurement	Works	Service	Service
	Procurement procedure	Open bid	Direct	Direct
	Evaluation criteria	Least cost	N/A	N/A
	Type of contract & project delivery method	Add measurement, build, test commission and hand over	Lump sum, design	Lump sum, supervision and contract administration
	Type & amount of bid security	Bank guarantee, Birr 250,000.00	N/A	N/A
	Content of any complaint logged	None	None	None
	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION

	Engineer's estimate		N/A	N/A
	Date of bid opening	05/07/2005 E.C	N/A	N/A
	Number of bidders: Participated, rejected and declined to submit	Four	N/A	N/A
	Awarded firm/contracting firm	YOTEK construction plc	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Date of contract award	08/04/2006 E.C	23/01/2013 G.C	09/04/2006 E.C
	Award price/original contract price	247,146,597.13	2,509,768.04	54,000.00 birr/month
	Unit contract price	N/A	N/A	N/A
	Contract security type and amount		None	None
	Date of contact signing	09/04/2006 E.C		28/04/2006 E.C
	Contract scope	Construction of MPH	Design of expansion works	Supervision & contract administration of MPH
	Description of contract & contract components	Supply of all labour, material and machinery for Construction of MPH	Design service for office, MPH, staff lounge and student lounge	
	Contract administration entity	EDSWCo, BUDSWS	AU construction project office	AU construction project office
	Contract duration	540 calendar days	150 calendar days	540 calendar days
	Contract start date	01/05/2006 E.C	30/01/2013 G.C	30/04/2006 E.C
	Intended completion date	26/10/2007 E.C	30/06/2013 G.C	05/11/2007 E.C

PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
CONTRACT IMPLEMENTATION	Contract status	Completed	Completed	Completed
	Completion date (revised, projected, actual)	16/08/2009, 26/10/2007, 11/09/2009 E.C	None	30/05/2009,
	Changes to contract duration with reason	660 calendar days due to variation works		7 months
	Amount of liquidated damages	None	None	None
	Contract price (revised, projected, actual)	298,161,262.47, 247,146,597.13, 298,161,262.47	2,509,768.04	54,000.00 birr/month
	Changes to contract price with reason	ETB 56,397,142.76 due to variation work	None	10,000.00 birr/month
	Scope of completion	MPH, site work, logo, fountain, generator room, kitchen shed and furniture for main hall	Design of expansion works	Supervision & contract administration of MPH
	Changes to contract scope with reason	University logo, fountain, generator room, kitchen shed and furniture for main hall. Reason for change was at the interest of employer.	N/A	N/A
	Total payment effected	298,161,262.47	2,509,768.04	None
	Warranty type and description	None	None	None
	Details of termination	None	None	None
	Safety measures	None	None	None
	Quality of work	Good		
	Disputed issue & award details	None	None	None

DISCLOSURE OF PROJECT INFORMATION		
PRELIMINARY PROJECT INFORMATION	Date of disclosure	June 2018 G.C
	Project owner	Aksum University
	Project name	Multipurpose hall
	Sector, subsector	Education
	Source for further information	EDSWCo, BUDSWS
	Project location	Aksum University main campus, Aksum town
	Purpose	Construction of multipurpose hall at main campus
	Project description	Supply of all labour, material and machinery for construction of MPH
	Original project scope	Multipurpose hall and site work
	Project components	Concrete work, structural steel work, finishing, sanitary installation, mechanical installation, electrical installation and asphalt pavement
	Environmental impact	None
	Land and settlement impact	Displacement of local farmers
	Estimated budget of the project with breakdown of components	None
	Funding sources	Government of the FDRE
	Project budget approval date	None
	Project start date (planned, actual)	01/05/2006 E.C, 01/05/2006 E.C
	Planned/original duration for completing the whole project	540 calendar days
	Planned/original cost of the project	ETB247,146,597.13
	Cost of the project at completion	ETB298,161,262.47

Changes of project cost with reason	ETB 51,014,665.34, due to variation works
Project completion date (revised, projected, actual)	16/08/2009, 26/10/2007, 18/08/2009 E.C
Actual duration for completing the whole project	1203 calendar days
Changes of project duration with reason	663 days, due to variation works
Project scope at completion	MPH, site work, University logo, fountain, generator room, kitchen shed and furniture for main hall
Changes of project scope with reason	University logo, fountain, generator room, kitchen shed and furniture for main hall. Reason for change was at the interest of employer.
Reference to documents for disclosure upon request (reactive disclosure)	AU and EDSWCo



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

DRAFT REPORT

On

**Assurance of disclosed Project and Contract Information
and disclosure of additional information of Dormitory and
Classroom Building Project for Aksum University**

Assurance Professional: Gebremedhin Abraha

July, 2018

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LIST OF ACRONYMS (ABBREVIATIONS)

CoST	Construction Sector Transparency Initiative
NMSG	National Multi-sector Group
NMSG-EC	National Multi-sector Group Executive Committee
AP	Assurance professional
CDSC	Construction Design Share Company
CDSWC	Construction Design & Supervision Works Corporation
BUDSWS	Building & Urban Design & Supervision Works Sector
AU	Aksum university
SBD	Standard Bidding Document
NCB	National Competitive Bidding
FDRE	Federal Democratic Republic of Ethiopia
FPPA	Federal Public Procurement Authority
FPPPAA	Federal Public Procurement and Property Administration Agency
PPP	Public Procurement Proclamation
ETB	Ethiopian Birr (Currency)
FEACC	Federal Ethics and Anticorruption Commission
MOFED	Ministry of Finance and Economic Development
PE	Procuring Entity
IDS	Infrastructure data standard
MPI	Material Project Information
VAT	Value Added Tax
V.O	Variation Order

1. EXECUTIVE SUMMARY

Ethiopia is one of the few countries that are exercising CoST. The initiative is managed by a NMSG-EC that represents the interests of government, the private sector, and civil society.

The aim and objective of the project level assurance is increasing the accountability of project stakeholders such as procuring entity, consulting and construction firms by improving transparency through disclosure of project information at all stages of the construction project cycle, from the initial identification of the project to the final completion. The disclosure is conducted by collection of the construction project information and verification of the information for completeness and accuracy.

Ethiopia is one of the few countries that are exercising CoST. The initiative is managed by a NMSG-EC that represents the interests of government, the private sector, and civil society; accordingly the NMSG-EC comprises representatives from government (such as FEACC, FPPA, MoFED, MoC) the Private Sector (association of Contractors' and Consulting firms) and representatives of civil societies. The NMSG-EC has selected the project to be disclosed based on the following criteria:

- Sector i.e. building construction
- Status of the project i.e. on-going during the time of selection
- Government financed project
- Projects with public visibility

On March 2018 the NMSG-EC of Cost-Ethiopia has assigned Ato Gebremedhin Abraha to conduct disclosure and assurance of the dormitory and classroom for Axum University. The project is located in the town of Axum inside the health science campus of Axum University. The dormitory and classroom are designed to serve students of the health science faculty.

The procuring entity, Aksum University has disclosed some of the MPI on a template in the FPPAA website; however information regarding to contract extension, duration of extension, reason for extension are not disclosed. Moreover the template lacks information regarding increase of contract price, amount of increment and reason for increment; hence the AP works on complete MPI according to disclosure standard of CoST-Ethiopia, to make the disclosure complete.

The Employer is Axum University. Contracts included in the project were: design, construction supervision and construction works. Design and supervision contracts were carried out by CDSC now called BUDSWS, while the works contract was carried out by Yotek Construction PLC.

The disclosure and assurance focuses on the overall process of procurement, from design to construction stages for there was no any feasibility study of the project. The absence of feasibility study could not be justified.

During preparation of this report, the project was already completed; both buildings are function final acceptance of the project was done in April 2016.

There was no any procurement process for design and construction supervision; rather it was directly given to a government owned enterprise i.e. CDSC now called BUDSWS. Such practice is not competitive, debars potential contenders and not preferable procedure in terms of value for money (vfm). Reason for giving the service directly to CDSC could not be justified.

The works contract was awarded to the winner, Yotek Construction PLC based on the least financial offer i.e. best economic advantage to the PE. The financial competition was among those bidders whose bid was response to the bidding requirement by conducting technical evaluation. The evaluation methodology and criteria was according to the Bid Data Sheet (BDS), which is the standard bidding form.

Cost of construction has risen by ETB 5,887,130.00, which is 11% of the original contract price. The increase is due to various variation works that were initiated by the Employer (AU) during the course of construction. The increase is not far from the contingency amount, which is usually 10% of the original contract.

Total numbers of variation works are six, out of which two variation orders were issued after provisional acceptance. Provisional acceptance is conducted when a project is substantially completed from which date the maintenance period (defects liability period starts); hence such practice is not common in the construction industry.

Original contract period was 450 calendar days; however the actual duration has extended and rose to 593 cal. days. This indicates the project was delayed by 143 calendar days; which is 32% of the original contract period. This had significant negative impact on the Employer's programme and cost. Apart from programme disorder, the Employer has paid the supervising consultant for additional 5 months even though the planned cost was only for 15 months.

2. INTRODUCTION

2.1 BRIEF ON THE OVERALL CONTENT OF THE REPORT

The report is carried out to record, assess, analyze, and highlight findings with recommendations obtained from the disclosure of information.

Public sector infrastructure projects make a major contribution to the economic growth and poverty reduction of a nation. However, mismanagement and corruption during the planning and implementation of construction projects can undermine the expected social and economic benefits.

The Construction Sector Transparency Initiative (CoST) is a multi-stakeholders initiative designed to increase transparency and accountability in the construction sector. The aim of the CoST initiative is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public sector construction projects. It achieves this aim through the public disclosure of key project information at all stages of the construction project cycle, with specific focus on the period from the award of the main contract for construction until the final build (implementation phase).

It is, however, recognized that the disclosure of this information on its own may not be sufficient to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. An independent Assurance professional (AP) is therefore appointed by the NMSG-EC who will be responsible for assessing the adequacy and reliability of disclosed project information and highlight any causes for concern that the information reveals.

A number of building projects have been identified by the NMSG-EC of CoST-Ethiopia of which Dormitory and Classroom Project for health science of Axum University is one of the selected projects for disclosure.

CoST requires project owners and procuring entities to disclose for all eligible projects and contracts at specified stages during the construction project cycle. Disclosure of project information is one of the objectives of the assurance process in CoST. Accordingly, CoST – Ethiopia had disclosed various construction projects since its establishment by employing Assurance Professionals, though the disclosures should have been made by the Procuring Entities (PEs) themselves.

The establishment of a system whereby the PEs disclose by themselves was not at a satisfactory level, hence Cost-Ethiopia has understood the necessity of conducting training to staffs of the PEs so as to make the disclosure process maintainable. Accordingly the initiative has arranged training programs to representatives of nominated public institutions, of which Aksum University is one of the selected institutions. The Training was conducted on the basics of CoST and application of the website of Federal Public Procurement and Property Administration Agency (FPPPAA) for the disclosure of contract and projection information.

Following the above stated training, the PEs were expected to disclose the required information of selected projects using the template posted on the website of FPPPAA. Accordingly Aksum University has disclosed information regarding the execution of Dormitory and Classroom Project on the website. The effort of AU to disclose is highly appreciable, however the template is not complete for information pertaining to contract extension is not disclosed. Moreover the template posted lacks information pertaining to change in scope and cost of project.

Reactive disclosure and assurance related to availability of additional information presented in a usable form, in an accessible place and under a specified set of conditions is required. Therefore the NMSG-EC of CoST-Ethiopia has assigned an Assurance Professional, which is responsible for conducting collection of the construction project information and verification of the information for completeness and accuracy.

The Assurance Professional has conducted a site visual inspection on the progress and quality of the works while preparing this draft report. He has observed that the project is completed and become operational. The defects liability period (maintenance period) has already expired; as a result final acceptance is already done.

Procurement and contract information was availed from the PE, while conducting visit of the project site and from the Consultant's head quarter in Addis Ababa. Documents availed from both entities were verified against each other but the documents that could be availed only from the Consultant were verified by examining original seals and signature of authorized officials.

Based on the information availed, the draft report analyzes the service and works contract in; compliance with procurement procedures during tendering stage; and compliance with contract administration of works and consulting services during implementation phase. Part of the documents availed from PE were verified by the documents availed from the Consultant; however missing documents in PE's archive were collected only from the Consultant, in which case the documents were verified according to original stamp and signature of officials.

2.2 OBJECTIVE OF THE ASSURANCE PROCESS

The Objectives of the assurance process are:

1. Increase transparency and accountability of Procuring Entities (PEs) in public sector construction projects by increasing access to information. Greater transparency enhances environment for domestic and foreign direct investment.
2. Enhance understanding of construction project costs amongst public sector clients, industry and wider society.
3. Disclosure of material project information on a selection of construction projects at all stages of the project cycle, from the initial identification of the project to the final completion and ensure that the information that is released is available, complete and accurate
4. Produce report as required by the NMSG-EC that is clearly intelligible to the non-specialist, outlining the extent, accuracy of information released, findings regarding the cost and quality and highlighting any cause for concern of the specific building project

2.3 ACTIVITIES OF THE ASSURANCE PROCESS

The Assurance Professional has entered contract agreement with CoST-Ethiopia to carry out the assurance process for Dormitory and Classroom Project for Health Science College of Aksum University. The activities to be done were based on the Terms of Reference in the contract agreement. The assurance process comprises of various activities with details shown below.

Preparation of work schedule

The assurance professional has prepared schedule of work in accordance to the agreement entered with CoST-Ethiopia in order to perform the assurance process. The schedule incorporated activities

such as collection of information, verification, analysis and preparation of report on information verification and analysis.

Collection of Information and Data Verification

CoST-Ethiopia has written a letter to Aksum University (PE) regarding the assignment of an AP who is responsible for the assurance process of multipurpose hall. The PE was well informed ahead regarding the disclosure of IDS and already assigned contact person (Ato Mebrahtu) who will be responsible in assisting the AP in information gathering. The person assigned is staff of the project office of the PE. At first the AP has visited the project site in order to:

- a. Physically understand the status of building project.
- b. Observe if there is any visible thing that undermines the quality of work
- c. Assist the PE in collecting documents that are available in Employer's archive and/or the project site office

The AP has visited the site together with the Ato Mebrahtu and Resident Engineer of the supervision Consultant. Consequently the AP together with Ato Mebrahtu gathered relevant documents pertaining to the assurance process such as construction contract agreement, bid evaluation document (partially), variation orders, time extension approval documents, certificates of payment among others. The PE was very cooperative in providing the required documents, though it was tiresome due to documentation problem of the project office. Some of the required documents could not be availed at all.

Certain documents such as design contract agreement, supervision contract agreement, invitation to bid for works and parts of bid evaluation report were collected from the Consultant,

Verification of Information

In the course of the assurance process, verification work has been carried out to validate the completeness and accuracy of the material project information. Documents availed from the PE were verified against the documents from the Consultant; however those documents missing in the PE's archive but availed from Consultant were verified by original official seal and signature of authorized personnel.

Analysis of Information

Analysis of the disclosed information is conducted in order to make informed judgements with particular attention about the changes and justifications of changes observed in the cost and duration of the building project by highlighting causes of concern.

Report preparation

The report regarding data collection, verifications, analysis and causes of concern is prepared according to 'standard content of project level assurance report' a format provided by CoST-Ethiopia, which was an annex to the contract agreement between CoST-Ethiopia and the Assurance Professional.

Standard template for disclosure of contract and projection information, which is also provided by CoST-Ethiopia, is annexed to the report (Annex 1).

2.4 CHALLENGES OF THE ASSURANCE PROCESS

Main challenge of the assurance process of the project was problems in collecting the document. The individual assigned by the PE to assist the AP in collecting documents pertaining to project disclosure was very cooperative. However the documents were not organized in an archive which can be traced without difficulties. As a result part the documents used for disclosure were found only in the consultant's archive.

The Consultant's archive is better regarding documentation, as compared to the procuring entity; however the collection of documents from Consultant took considerable time. The reason for this, according to the Consultant is misplacement of documents while the corporation was on the process of restructuring.

Most of the required documents for disclosure are available either at PE archive or Consultant's archive or both, though few documents could not be availed until the completion of this draft report. Following is of documents that could not be availed.

1. Feasibility study and environmental impact assessment
2. Engineer's estimate
3. Amount of budget allocated for the project
4. Completion date for design service
5. Reason for direct award of the design and supervision service without tendering
6. 1st procurement notice for works contract
7. Technical evaluation for works contract according to 1st procurement notice
8. Document that justifies why the bid was cancelled after Zamra Construction won based on the 1st procurement notice
9. Type and amount of contract security

3. DISCLOSURE OF PROJECT INFORMATION

3.1 PROJECT OVERVIEW

The project is a part of the Aksum University expansion. It comprises one G+4 dormitory building and one G+4 classroom building. Both buildings are intended to serve students of Health Science College. The project is located in Aksum inside the Health Science Campus. Laundry for students was included lately as variation work to be part of the works.

- Name of project: Dormitory and Classroom (Lot 19) at Health Science College for Axum University at Aksum project No. D8-008/2005
- Consultant: CDSC lately called CWDSC
- Contractor: Yotek Construction PLC
- Contract signing date: 03/06/2013 G.C. 26/09/2005 E.C.
- Mobilization period: 21 calendar days
- Commencement date: 23/10/2005 E.C.
- Contract duration/original: 450 calendar days
- Total time elapsed up to completion: 563 calendar days
- Intended completion date: 13/01/2007 E.C.
- Actual completion date: 06/05/2007 E.C.
- Awarded contract amount/original: ETB 54,753,926.26
- Value of variation works: ETB 5,567,094.00
- Construction contract amount/at completion: ETB 62,723,649.57

3.2 SCOPE OF THE PROJECT

Originally the project scope is construction of one G+4 dormitory building and one G+4 classroom building; however at the interest of the Owner (AU) some variation works were executed during the course of construction of which an auxiliary building for students' laundry is a part.

3.3 SOCIO ECONOMIC BENEFITS (PURPOSE) OF THE PROJECT

Document pertaining to feasibility study could be availed neither from the PE nor from the Consultant; as a result any written document that clearly explains well studied socio economic benefits of the project could not be included here in the report. However, it can be understood that the Dormitory and Classroom buildings are vital for the university.

The project purpose is to benefit students of the health science college of the Aksum University.

3.4 UNDESIRED IMPACTS OF THE PROJECT

There is no document pertaining to environmental impact assessment that leads to make judgement about undesired impacts of the project. Moreover there is no any negative impact of the project that is observed or reported.

3.5 SOURCES OF FUNDING AND PROJECT COST

On the bid invitation paper, it is cited saying that “The Aksum University have funds Government of FDRE budget to be used for the procurement of Aksum university expansion project with in the Employer’s budget to be used for the procurement of Aksum University Expansion”. This shall clearly confirm that it funded by the university’s budget financed by the Ethiopian Government.

3.6 PROJECT DURATION

Project duration according to contract agreement between Aksum University and Yotek Construction PLC was 450 calendar days; however the actual time elapsed up to the date of provisional acceptance were 563 with 113 calendars days of delay. The delay is 25 % of the original contract duration. In accordance to the terms of the supervision agreement, the Consultant is authorized to approve justified time extension up to 25% of the original contract duration; hence the time extension was within the Consultant’s approval limits.

The causes for extended duration were various additional works (variations to contract); which were initiated by the Employer during the course of construction, delay in effecting payment and effect of rainfall. Total numbers of days that are justified according to the above reasons are 143 calendar days, which are exceeding 25% of the original duration. If the justified time extension exceeds 25%, the Consultant can only make analysis and recommendation and then it will up to the Employer to approve the extension. The Employer has already approved the delay justification; hence the 143 calendar days were accepted as justified days of delay.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONSULTANCY SERVICE

4.1 DISCLOSURE OF PROCUREMENT INFORMATION

There was no any procurement process for design and construction supervision service. The service was directly given to government owned consulting company, the then Construction Design Share Company (CDSC) now called Building and Urban Design and Supervision Works (BUDSW) sector of the Construction Design and Supervision Works Corporation (CDSWC).

For the design service it was stated, on the contract agreement, that the Employer has requested the Consultant to provide certain consultancy service; however the letter for such requested is not attached with the contract agreement. Moreover there was no document that clarifies negotiation of price or direct acceptance of the Consultant's offer.

For the supervision service it was stated, on the contract agreement, that the PE has requested the Supplier to provide certain consultancy service; however the letter for such requested is not attached with the agreement. Moreover there was no document that clarifies negotiation of price or direct acceptance of the Consultant's offer.

4.2 DISCLOSURE OF CONTRACT INFORMATION

The contract information for design and supervision was available only in the consultant's archive; hence the information could not be verified against other sources, the PE. However the contract agreement availed from the Consultant bears original seal of the PE and the Consultant and moreover original signatures of the authorized official i.e. President of AU and CEO of CDSC. Therefore the AP has accepted that the contract agreements for services, design and supervision as true. As mentioned in the findings of the disclosure, the PE was very cooperative in searching all documents pertinent to the project, but was not able to find out some of the documents, of which the above mentioned contract agreements, due to the absence of well-organized central archive.

4.2.1 DESIGN CONTRACT

Overview of Contract

The contract agreement was signed on 19th October 2012 between Aksum University and Construction Design Share Company 02/06/2005 to provide the service on the terms and conditions of the contract with mutual rights and obligations of the Employer and the Consultant as stated here:

- a) The Consultant shall carry out the service in accordance with the provisions of the contract and
- b) The Employer shall pay the Consultant the contract price of ETB 945,153.06 (nine hundred fourty five thousand one hundred fifty three & 6/100). The contract price includes the design fee for other buildings to be designed together with the G+4 dormitory and G+4 classroom buildings.

The description of design service, as stated in Appendix A, which is part of the contract agreement was adaptation and modification of four (4) blocks of classrooms and five (5) blocks of dormitories as a package. Therefore the agreement is not only for the project under consideration but also additional buildings within the design package.

Contract milestones

Date of contract signing: 19/10/2012G.C

Commencement date: 26/10/2012G.C

Contract duration: 60 calendar days

Intended completion date: 24/12/2012G.C

Actual date of completion of the design contract is not disclosed here for information pertaining to the date of actual completion of the design service could not be availed from the PE or the Consultant.

Contract Scope

The design service consists of the design and adaptation to tender document preparation of different buildings constructed in other universities. The scope of service to be rendered can be summarized as follows:

- Detail engineering design including design drawings
- Design report
- Engineer's estimate
- Tender document

Disclosure of Information for Design Service

The PE has disclosed project and contract information on the FPPAA web site only for supplier 1, which is the works contract. Nevertheless the PE didn't disclose anything about the design contract, which can be named as supplier 2. Therefore information regarding the design service contract is not disclosed on the web site.

According to the disclosure standard of CoST-Ethiopia, majority of the information regarding the design service is disclosed as indicated in the annex to this report; however the disclosed information is not complete for vital information such as actual completion date of contract, type of contract security, amount of contract security, changes in scope of service, change in duration are not disclosed or are not justified if there were no changes to scope of services, duration and contract price. The quality of design is not stated or explained for there is no report provided regarding the completion of the service.

4.2.2 SUPERVISION CONTRACT

Overview of Contract

As stated in the contract agreement for supervision service, "the PE has requested the Supplier to provide certain consultancy services as defined herein and attached to this contract"; however the letter of request is not attached to the agreement. As it was mentioned earlier in section 4.1 of this report, the contract was directly awarded to the then called CDSC now CDSWC.

The supervision contract was signed on 20th June 2013 between Aksum University and Construction Design Share Company (CDSC) to carry out supervision and contract administration of Dormitory and Classroom buildings. The contract has extended with the extension of the works

contract automatically as it was stated in the Special Conditions of Contract for supervision and contract administration.

Contract data

Contract type: time based

Date of contract signing: 20/06/2013 G.C

Commencement date: site hand over date of the works contract

Contract duration: 450 calendar days

Intended completion date: 23/09/2015 G.C

Cost of supervision: 38,000.00 Birr/month

Consultant's approval limit for cost: approval of variation less than 10% of the contract price

Consultant's approval limit for time: claims approval except delay justification less than 25% of
the contract time

Contract cost

The cost of supervision and contract administration was agreed on monthly basis. The original contract duration was 450 calendar days (15 months), accordingly the intended total cost of supervision was ETB570,000.00. In the SCC it was stated that in the event the project is not completed within the specified period, the contract agreement will be extended automatically until the project is completed. The PE shall pay for the extra time at the same monthly rate calculated for the original period of the agreement.

The works contract was delayed by 143 calendar days. When the sum is turned in to months the extended time is equivalent to 5 months; as a result the supervision contract has extended by 5 months and became 20 months hence the total supervision cost has increased by ETB190,000.00 and rose to ETB760,000.00. Therefore the conclusion here is that delay in works contract increase cost supervision, which cost implication to the PE.

Disclosure of Information for Supervision Service

The PE has disclosed project and contract information on the FPPAA web site only for supplier 1, which is the works contract. Nevertheless the PE didn't disclose anything about the supervision contract, which can be named as supplier 2. Therefore information regarding the supervision service contract is not disclosed on the web site.

According to the disclosure standard of CoST-Ethiopia, majority of the information regarding the supervision service is disclosed as indicated in the annex to this report; however the disclosed information is not complete for vital information such as type and amount of contract security, changes in scope of service and change in contract price are not disclosed or are not justified if there were no changes.

5. DISCLOSURE OF WORKS CONTRACT

5.1 DISCLOSURE OF PROCUREMENT INFORMATION

1.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

Procurement procedure for selecting the firm that undertaken the construction work begins with inviting bidders, through newspaper, to submit their offer up to the bid closing date; which is the deadline for bid submission. The bid floating period was 30 calendar days.

Evaluation methodology and criteria was based on a standard bidding format provided to all bidders who collected the tender document. The criteria incorporate the listed below items:

1. Legal qualification of the bidder
2. Professional qualification and capability of the bidder
3. Technical qualification, competence and experience of the bidder
4. Financial standing of the bidder

The bid was opened on the same date it was closed, 05/07/2005 E.C, in the presence of all parties i.e. PE, Consultant and bidders. Technical evaluation for prequalification, that was conducted based on the qualification information started from checking the responsiveness of the entire bidders offer. Out of the four bidders who submitted their offer for consideration, one bidder's offer was considered as non-responsive for not submitting the standard bid document (SBD); accordingly the bidder was disqualified from further evaluation.

Detail technical evaluation was conducted for those bidders whose bid was responsive. Out of the three bidders whose bid was responsive, one bidder's offer was disqualified for not fulfilling annual turn-over requirement stated in the standard bid document (SBD). Only two bidders who fulfilled the prequalification requirement were legible for financial competition; Then CDSC submitted his recommendation to the Employer.

Financial offer was opened on 17/08/2005 E.C in the presence of all parties i.e. PE, Consultant and bidders. The evaluation was conducted to select the bidder with the least offer. The bid evaluation committee has conducted arithmetic checking of all offers and identified the least offer; then has submitted the result of financial evaluation for Employer's decision.

The Employer has notified the Consultant by letter that he has accepted the result of evaluation and instructed the Consultant to inform the winner and prepare contract agreement for signing.

1.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.2.1 COMPLETENES OF THE DISCLOSED PROCUREMENT INFORMATION

In the invitation to bid it was stated which category of contractors (suppliers) are eligible to participate in the bid. It was also stated that the bidding will be conducted in accordance with the open national tendering procedures contained in the Public Procurement Proclamation of the FDRE and open to all eligible bidders. Moreover the invitation to bid comprises of the listed below information that are vital to all prospective bidders:

- a) address where interested bidders may obtain further information regarding the bid
- b) address where the complete set of bidding document can be purchased
- c) Place, date and time for delivery of bids.

- d) Place, date and time for bid opening
- e) List of documents that should be incorporated in the bid
- f) Reason for automatic rejection from the tender

Technical Evaluation

In the preamble to the technical evaluation, it was stated that ten bidders have purchased the tender document of which four bidders have submitted their offer; however list of those bidders who collected the tender document is not attached to the evaluation document. In the bid opening process the date, time, place and names of persons who attend the bid is listed. The list also includes telephone numbers and list of organization which the attendants represent. The PE was represented by three persons, the Consultant by two persons and each bidder was represented by a single representative.

The evaluation document includes completeness, signing and seals of the bid documents of the four bidders. The type and responsiveness, in accordance to the bidding requirement, of the bank guarantee is also included in the bidding document. One bidder was disqualified for not submitting the Standard Bid Document (SBD)

The detail technical evaluation was conducted by assigning codes to the bidders. In the evaluation document only annual volume of construction and work experience in similar nature of work are attached. Out of the three bidders under consideration, one bidder couldn't fulfil the annual turnover requirement; as a result the bidder was disqualified from further evaluation. On the conclusion and recommendation, it was stated that all detail steps of evaluation are shown though documents that indicate fulfilment of bidders offer according to Bid Submission Sheet (BSS) is not attached to the evaluation document.

Financial Evaluation

The financial evaluation document comprises the bid opening date, time, place and names of persons who attend the bid. The list also includes telephone numbers and list of organization which the attendants represent. The PE was represented by two persons, the Consultant by two persons and the two bidders who passed the technical evaluation were represented by a single representative each. The bid documents were checked for correction of arithmetic and responsiveness in accordance to the bidding requirements. The tender evaluation committee made conclusions about the result of financial evaluation and submitted the evaluation report for PE's decision.

Subsequent to technical and financial evaluation and recommendation of the tender committee of the consultant the following procedures are disclosed:

- a) Letter of acceptance of the PE to the result of evaluation and recommendation and requesting the Consultant to prepare contract agreement
- b) The Consultant's notification letter to the bidders regarding the tender result
- c) Consultant's letter for submitting contract agreement to PE for signing with the successful bidder

Most of the disclosed information is available, but documents that are listed under are not attached to the technical evaluation report:

- a) List of bidders who purchased the bid document

- b) Professional qualification and capacity of the bidder that includes number of staff and personnel for the key positions
- c) Technical qualification particularly equipment required for the implementation of the contract
- d) Not occurring of non-performing contracts and pending litigations
- e) Financial resources

Based on the above information provided and verified documents, we can say that the disclosed procurement information is not complete.

5.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

Part of the procurement information obtained from the PE was checked against the documents provided by the Consultant. Some of the documents that could not be availed from PE were collected from the Consultant. The documents that are availed from the Consultant alone were checked for accuracy by verifying original seals and signature of authorized persons. Therefore the AP believes that the disclosed procurement information is accurate.

1.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1 COMPLIANCE OF THE PROCUREMENT WITH RULES OF ADVERTISEMENT

The advertisement was open for eligible bidders in accordance to the tendering procedure of the FPPPAA. Prerequisite for purchasing the tender were stated on the ITB, which was submission of written application, VAT registration certificate, MoWUD certificate, trade licence and bid participation supporting letter. Based on these conditions nine bidders have purchased the tender document.

Bidders were required to submit sealed technical proposal, financial offer and bid security ETB 250,000.00 (two hundred fifty thousand). Signed and sealed standard bidding document (SBD) was supposed to be returned with technical proposal. Accordingly four bidders have submitted their bid up to the end of bid submission date, which is 30 calendar days from the advertising date.

In the course of technical and financial evaluation, responsiveness of bidders' offer was checked against the points mentioned in the invitation to bid and or instruction to bidders. In the advertisement it was stated that bidding will be conducted in accordance with the open national tendering procedures contained PPP of the FDRE. Therefore it can be concluded that the procurement was in compliance with the rules of the advertisement.

5.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS

The invitation to bid was posted on 06/06/2005E.C. Exactly after 30 calendar days, which is the bid floating period, the bid was closed on 05/07/2005E.C and opened on the same date in the presence of all parties i.e. PE, Consultant and bidders. The Consultant has completed the technical evaluation on 13/07/2005E.C; eight days after bid opening. Financial evaluation was completed on 21/08/2005E.C. 05/09/2005E.C the Employer has informed the Consultant that he has accepted the results of financial evaluation and has to notify the winner and loser about the result. The Consultant has notified the loser on 06/09/2005E.C and the winner about acceptance of his offer on 19/09/2005E.C. A week later contract agreement between the Employer and Contract was signed on 26/09/2005E.C

Based on the above timing in the procedures of procurement, it can be concluded that the procurement process was efficient.

5.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The invitation to bid was particularly for contractors with category GC1 or BC1 with valid licence for the current year. Class of contractor is related with the capacity to execute the intended construction. The bidding was conducted in accordance with the open national tendering procedure contained in the Public Procurement Proclamation of the FDRE and was open to all eligible bidders.

Interested eligible bidders were given opportunity to obtain further information regarding the bidding document from the Consultant who posted the bid. Bid floating period (30 calendar days) was adequate for the interested bidders in order to prepare and submit their offer. Based on the disclosed information, concerning the procurement process, it can be concluded that the procurement rules were fair on participation.

5.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The bid was opened in the presence of all parties i.e. PE, Consultant and bidders. The qualification information for prequalification evaluation was based on the standard bidding document and the main criteria for winning the bid was least financial offer provided that the bidders pass the qualification criteria.

Out of the four contenders who submitted their bid for consideration, one bidder was disqualified for not submitting the SBD. Therefore detail technical evaluation was carried out only for three bidders. During the process of technical evaluation, one bidder was found not-fulfilling the requirements of the evaluation criteria; as a result the bidder was excluded from further evaluation. Therefore only two bidders were qualified for further financial evaluation.

The financial offers for two eligible bidders who have passed the technical evaluation were opened by the tender committee of the Employer in the presence of representatives of the Consultant and competing bidders. The offers were checked for the correction of the arithmetic and then the bidder with least offer was recommended by the Consultant to the Employer.

The Consultant, who conducted the evaluation, has notified the winner to the bidders who lost the bid by letter expressing the winning price.

5.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

The qualification requirement for bidders was classified as compliant or non-compliant to the bidding requirement. The bidding requirements were legal, professional, technical and financial qualification, which are achievable for a category of contractor GC1 or BC1. The bidding forms indicated in table 5.1 below was used to evaluate a bid and determine whether a bidder has the required qualification. The table comprises all mandatory documentary evidence establishing the bidder's qualification; hence the tender evaluation was objective. Bidders were supposed to provide all the information requested in the forms included in the table.

The factor, requirement, criteria and supporting documents that are evidences for fulfilling the requirements assure the objectivity of the tender evaluation. All the documents that prove the evidences are assumed to be inspected during evaluation, though some of them are not attached to the technical evaluation report. To assure completeness, the AP believes that it is vital either attaching the proof of evidence or at least indicate on the technical evaluation report that such documents were inspected and checked for responsiveness.

The criterion for awarding the contract was the lowest price provided that the bidder's offer was responsive to qualification requirements set forth in the Bidding Document based on the documentary evidence establishing the Bidder's legal, professional, technical, and financial qualification.

Table 5.1 Bidding Forms

Factor	Requirement	Criteria	Documents Required	Remarks
1. Legal Qualification of the Bidder				
1.1 Nationality	Nationality in accordance with ITB clause 4.2	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.2 Conflict of interest	No conflict of interest as described in ITB clause 4.3	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.3 Registration in the FPPA's suppliers list	Having been registered in the FPPA's suppliers list in accordance ITB clause 4.7	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.4 Debarred by the decision of the FPPA	Not have been debarred by the FPPA's from participating in accordance ITB clause 4.4	Must meet the requirement	Bid submission sheet	Not attached to evaluation report
1.5 Valid trade licence	Having been submitted valid trade licence in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
1.6 VAT registration certificate	Having been submitted VAT registration certificate in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
1.7 Valid tax clearance certificate	Having been submitted tax clearance certificate in accordance ITB clause 4.6	Must meet the requirement	Bid submission sheet with attachments	Not attached to evaluation report
2. Professional Qualification and Capacity of the Bidder				

2.1 Number of staff	At least 10 staff currently work for the bidder	Must meet the requirement	Bidder certificate of compliance	Not attached to evaluation report
2.2 Persons for the key position	Position, qualification, total experience and experience in similar works as per stated in BSS	Must meet the requirement as per stated in BSS	Technical proposal with attachments	Not attached to evaluation report
3. Technical Qualification, Competence and Experience of the Bidder				
3.1 General experience	Successful completion of equivalent project of nature and complexity over the last three years	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
3.2 Special experience	At least 70% completion of similar building contract with contract value not less than 80 million over the last three years	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
3.3 History of non-performing contracts	Non-performance of a contract did not occur within the last five years or fully settled dispute or	Must meet the requirement	Bidder certification of compliance	Not attached to evaluation report
3.4 Pending litigation	Pending litigation shall in total not represent more than 2% of the bidder's net worth	Must meet the requirement	Bidder certification of compliance	Not attached to evaluation report
3.5 Equipment for implementation of the contract	The bidder must demonstrate that will avail type and number of equipment listed in BSS	Must meet the requirement	Technical proposal with attachments	Not attached to evaluation report
4. Financial Standing of the Bidder				
4.1 Historical financial performance	Submission of audited financial statements for the past three years as required in ITB clause 15	Must meet the requirement	Bidder certificate of compliance with attachments	Not attached to evaluation report

4.2 Average annual turnover	Accomplishments of construction work with average value of at least ETB 80 million over the past three years. The value is accepted provided that it is verified by external auditor or revenue authority.	Must meet the requirement	Bidder certificate of compliance with attachments	Attached to evaluation report
4.3 Financial resources	The bidder must demonstrate access to credit facility or availability of financial resources to meet the cash-flow requirements	Must meet the requirement	Bidder certificate of compliance with attachments	Not attached to evaluation report

5.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Out of the ten bidders who collected the bid document, four bidders submitted their bid offer. When the tender evaluation committee opened the offers in the presence of all parties one bidder was found that he didn't submit the SDB; as a result the bidder was disqualified from further evaluation. Out of the three remaining contenders, one bidder has failed to pass the technical evaluation; hence only two of them were qualified for further evaluation. Therefore financial competition was between two bidders, which is not that much competitive. The award price, including 15% VAT, was ETB 54,753,929.26 and the other bidder's offers who lost the bid was ETB 57,372,104.78, which ETB 2,618,175.52 (4.8%) higher than the list offer. The award price is competitive as compared to the offer that lost the bid.

5.1.3.7 OVERVIEW OF THE CONTRACT MILESTONES

Contract agreement was signed on the 26th of Ginbot 2005 for the execution of a G+ 4 dormitory and a G+ 4 classroom at the Health Science Campus of Aksum University with contract duration of 450 calendar days and contract price of ETB 54,753,929.26. The contract has varied with duration and cost at completion. The duration has extended to 593 calendar days and construction cost has risen to ETB 62,723,649.57.

5.2 DISCLOSURE OF CONTRACT INFORMATION

1.1.4 OVERVIEW OF THE CONTRACT

The construction contract agreement was signed between Aksum University (the Employer) and Yotek Construction PLC (the Contractor) on 26/09/2005E.C after the Employer accepted the bid by the contractor for the execution and completion of a G+ 4 dormitory and a G+ 4 classroom at the Health Science Campus of Aksum University with contract duration of 450 calendar days and contract price of ETB 54,753,929.26 .and remedying of any defects therein for the contract price of ETB 54,753,929.26 (Fifty four million seven hundred fifty three thousand nine hundred twenty nine and 26/100).

In consideration of the payment to be made by the Employer to the Contractor, the Contractor has made a covenant with the Employer to execute and complete the works and remedy any defects in conformity in all respects with the provision of the contract. The Employer also made a covenant to pay the Contractor in consideration of the execution and completion of the works and remedying of defects herein.

The work was agreed to execute in accordance with the terms and conditions stated in the contract agreement and law specified in the Special Conditions of Contract. The SCC was taken, among others as part and parcel of the contract agreement.

The contract incorporates a general item, which is a facility for the supervising consultant's staff among a multipurpose hall and site work.

1.1.5 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

Aksum University has disclosed project and contract information on the FPPAA web site, based on the template provided on the web site; however information regarding identification, preparation, contract extension, duration of extension and reason for extension are not filled on the template provided. Therefore the disclosure lacks completeness. Moreover the template, among others, includes contract extension information but does not include changes in cost of construction, which is vital information to the prospective users of the web information. The AP believes that disclosure of actual project cost is vital to those who utilize the information posted on the FPPAA web site.

The disclosure standard of CoST-Ethiopia incorporates wide-ranging contract information regarding construction project. The standard template, which is an annex to this report, is compiled according to the verified information regarding the project under consideration. Most part of the contract information are disclosed; however information regarding the type and amount of contract security is not attached to the contract agreement. Therefore the information pertaining to the contract is not complete.

5.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The disclosed contract information provided by the PE was verified against the document in the hands of the consultant that undertakes the construction supervision service.

Most of the disclosed contract information provided by the PE was verified against the document in the consultant's archive; however some of the documents required for disclosure were available only in the consultant's office. The AP is convinced that the accuracy of such documents can be accepted pertaining to bearing of original seal and signature of authorized officials of the PE and the Contractor.

1.1.6 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO CONTRACT PRICE

Originally the contract price was ETB 54,753,929.26; however the price has increased by 14.6% and rose to Birr 62,723,649.57 during completion.

The actual executed amount during the issuance of partial temporary acceptance certificate was ETB 41,180,601.05; however the total amount of work executed according final payment certificate (No.13), which is approved on 24/10/2008E.C is ETB 62,723,649.57. The difference in the figures ETB 21,543,045.52 indicates that some of the works, even from the main contract, were executed in between the date of temporary acceptance and final acceptance. Moreover variation order No.5 and 6 were executed during this period for the V.Os recorded during partial temporary acceptance were only V.O No1 through 4.

Temporary acceptance was supposed to be carried out when the buildings are substantially completed so that the duration between the date of temporary acceptance and final acceptance is dedicated for maintenance of defects that are observed while conducting the temporary acceptance. Moreover there is any remark or comment disclosed why such action was exercised; hence the action is unjustified.

The change in contract price was due to variation works that were initiated by the Employer in the course of execution of the contract. The Consultant has maintained the procedure in approving the variation works that affected the contract price. All the variation works were justified.

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

As compared to original contract period i.e. 450 calendar days, the contract duration has extended by 143 days. The actual time elapsed up to the date of partial temporary acceptance was 563 calendar days with 113 calendars days of delay; the total delay recorded and justified was 143 calendar days.

Reasons for the extension of contract duration were time claimed by contractor to execute variation works, claim due to delay in effecting payment to Contractor by Employer and time extension claimed due to adverse weather effect. The employer has accepted the increased duration as justified.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

The scope of work according to contract was construction of one G+4 dormitory building and one G+4 classroom building; however the work scope was slightly changed by construction of an auxiliary building intended for students' laundry.

6. CONCLUSION AND RECOMNDETION TO THE MSG

6.1 CONCLUSION

Causes of Concern

There was no any procurement process for design and construction supervision for the service was directly given to a government owned consultant – BUDSWS the then called CDSC, hence the Procurement of engineering services lacks fairness and transparency.

For the works contract technical and financial evaluations were done independently and at different stages, hence there was no any conflict of interest seen on the procurement process for construction works.

Duration of construction has extended to 593 calendar days with 143 days of justified delay. Since the delay exceeds 25% of the original contract duration, it was more than the Consultant's decree to approve; as a result the Consultant has made recommendation to the PE and the PE has accepted the recommendation and approved the delay justification. Out of the total days of justified delay, 62 days (43%) were due delay in effecting payment, 24 days(17%) were due adverse whether effect and 26 days (18%) were due to variation works added in the course of construction. The reason for the remaining 31 days (22%) of the total justified delay was not mentioned in the approved document. Probably these days were approved earlier for it is within the decrees of the Consultant. The delay has cost and time implication to the PE.

Extension of contract time that was justified and approved by the PE, according to the document provided was only 143 calendar days; however during the issuance of final acceptance numbers of justified days of delay were indicated as 200 calendar days. The difference 57 calendar days could not be verified by other documents, hence such issue is a cause of concern.

The PE has approved 143 calendar days of time extension in which the projected date for completion was supposed to be 06/05/2007 but on the same document it was stated that the work is not completed on the specified date. While issuing certificate of final acceptance, the actual completion date was mentioned as 06/05/2007, which is contrary to the statement stated in the document for approval of delay justification. Whenever such kind of contradictory statements in the same contract are in fallacy to each other, the transparency is questioned.

Construction cost has risen by ETB 7,969,720.31 (14.6%) of the original contract price, of which 9.3% is due to variation works that were initiated by the Employer and the remaining 5.3% is due increase in volume of actual work executed compared to original volume of work. The escalated amount is more than the contingency amount, which is 10%. Therefore the increase affects the Employer's budget allocated or has cost implication.

The actual executed amount during the issuance of partial temporary acceptance certificate was ETB 41,180,601.05; however the total amount of work executed according final payment certificate (No.13), which is approved on 24/10/2008E.C is ETB 62,723,649.57. The difference in the figures ETB 21,543,045.52 indicates that some of the works, even from the main contract, were executed during the maintenance period. This implies that the works were accepted before completion though temporary acceptance was supposed to be carried out when the works are substantially completed.

Temporary acceptance was supposed to be carried out when the buildings are substantially completed so that the duration between the date of temporary acceptance and final acceptance is

dedicated for maintenance of defects that are observed while conducting the temporary acceptance. Moreover there is no any remark or comment disclosed why such action was exercised; hence the action is unjustified.

Conclusion

There was no any document regarding feasibility study and environmental impact assessment or at least explanation for not executing the study. Therefore the assurance professional believes that the disclosure of information is not adequate to make an informed judgement regarding the feasibility and socio economic impact of the project.

The design and supervision service was directly given to government owned consulting company without competition. Even though such practice is possible the reason for awarding the contract was not disclosed; therefore it not possible to conclude whether the award without out completion was justifiable or not.

The procurement process of construction works was also based on NCB, through the process of technical and financial evaluation. The evaluation process was clear and all the documents related to the evaluation process were complete. Out of the ten bidders who purchased the tender document only four of them have submitted their offer for consideration. Out of the four contenders, one bidder was disqualified for no fulfilling the bid requirement and another one has failed to pass the technical evaluation. Accordingly the financial competition was only between two contenders, which can be said as narrow competition. The price difference from the least offer of the highest offer was 4.8%.

The award price for the works contract was the least offer of the two contenders who fulfilled the qualification criteria. It was not possible to conclude that the award price is fair and complete in the absence of Engineer's Estimate. In order for the stakeholders to have an informed judgment regarding the award price it is vital to disclose the Engineer's Estimate prepared by the design Consultant.

There was no any document regarding feasibility study or explanation for not executing the study. Document that clarifies government's budget allocation for this specific project could not be availed. Moreover document that justifies why the engineering services was directly given without competition is also unavailable. Therefore the assurance professional believes that the disclosure of information is not complete.

6.2 ISSUES RECOMMENDED FOR FURTHER REVIEW

The Assurance professional understands that the primary aim of CoST is to enhance the transparency and accountability of publicly financed projects. The improved transparency would be supportive for better management of public finances and will reduce corruption. Hence it is advisable that any procurement process be properly planned for unplanned procurement with inadequate time for procurement process leads to give contracts without proper tendering process.

Cooperation of the PE and the consultant in providing necessary documents is appreciable; however collection of information from the PE was difficult due to the absence of well-organized archive of the project documents. Some of the relevant documents could not be availed even after making considerable effort. In order to increase transparency, it is recommended that procuring entities must be well concerned about the importance of proper documentation pertinent to a construction project from inception to completion and even more for a couple of years.

It is understood that prolonged project duration seriously affects the Employer's programme, causes unnecessary expenses and undermines accountability. For this specific project, 43% of the total justified delays were due to delay in effecting payment to Contractor by the Employer, which can be avoided by proper cash flow planning.

According to the bidding form there some qualification criteria not indicated on the technical evaluation report. The evidences must be mentioned in the report if the documents are vast or difficult to compile in the report.

7. Glossary

Accountability: CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public.

Budget: an amount of money allocated to a project or scheme

Competitive Tendering: Awarding contracts by the process of seeking competing bids from more than one contractor.

Construction Sector Transparency (CoST) Initiative: An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector.

Consultant: An organisation or individual who has made a contract to provide services.

Contract: A binding agreement made between two or more parties, which is intended to be legally enforceable.

Contract Documents: Documents incorporated in the enforceable agreement between the Procuring Entity and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers' responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.)

Contractor: An organisation or individual who has made a contract to undertake works, supply goods or provide services.

Contract period: An arrangement for the supply of works, goods or services established for a fixed period of time.

Cost estimate: A cost estimate prepared by the buyer of works, goods or services which provides a benchmark or a basis for evaluation and/or negotiation when tenders/offers are received from bidders. It also serves as an instrument of project planning and budgeting.

Employer: In the context of the CoST initiative, the Procuring Entity awarding construction and consultancy contracts for the project.

Feasibility study: An evaluation of a proposed project to determine the difficulty and likely success and benefits of implementing the project.

Final acceptance: Owner's acceptance of a project from the Contractor after the entire work is completed, tested and inspected in accordance with the contract requirement and project is permanently handed over to the owner. Final acceptance is performed at the end of maintenance period (defects liability period)

Material Project Information (MPI): MPI in this context is intended to indicate that information disclosed on a project is sufficient to enable stakeholders to make informed judgements about the cost and quality of the infrastructure concerned.

Procurement: The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

Procuring Entities (PEs – also referred as clients and contracting authorities): The State, regional or local authorities, bodies governed by public law or associations formed by one or several of such authorities that procure works, goods and services with full or part public funding.

Programme: The projected timing of activities required under the contract.

Provisional acceptance: a conditional acceptance which means that the Employer has accepted the project but performance needs to be verified or confirmed under operational conditions within an agreed period.

Provisional acceptance certificate: a certificate to evidence conditional acceptance to be issued when the warranty period starts.

Supervision contract: a contract with a consultant to oversee the performance of the contractor on the construction work, to give a level of reassurance to the Employer about the quality of the work.

Stakeholder: is an organization or group involved in business and therefore has responsibilities towards it and an interest in its success.

Tender: An official written offer to an invitation that contains a cost proposal to perform the works, services or supplies required, and is provided in response to a tendering exercise. This normally involves the submission of the offer in a sealed envelope to a specified address by a specified time and date

Tender Documents: Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses

Tender Evaluation: Detailed assessment and comparison of contractor, supplier or service provider offers, against lowest cost or most economically advantageous (cost and quality based) criteria.

Transparency: In the context of the CoST initiative transparency relates to the disclosure of material project information on construction projects.

Value for money: is the most advantageous combination of cost, quality and sustainability to meet customer requirements

Annex 1: STANDARD TEMPLATE FOR DISCLOSURE OF INFORMATION

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	Date of disclosure			
	Contract title	Construction of Dormitory & Class room	Design of expansion works	Supervision & contract administration of (L 19)
	Location	Aksum university health science campus	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Procuring entity	Aksum university	Aksum university	Aksum university
	Source of further information	AU construction project office	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Date of procurement notice	06/06/2005 E.C	N/A	N/A
	Floating period of the procurement notice	30 days	N/A	N/A
	Media used for procurement notice	News paper	N/A	N/A
	Method of procurement	National competitive bidding	Direct appointment	Direct appointment
	Type of procurement	Works	Service	Service
	Procurement procedure	Open bid	Direct	Direct
	Evaluation criteria	Least cost	N/A	N/A
	Type of contract & project delivery method	Add measurement, build, test commission and hand over	Lump sum, design	Lump sum, supervision and contract administration
	Type & amount of bid security	Bank guarantee, Birr 250,000.00	N/A	N/A
	Content of any complaint logged	None	None	None
	Engineer's estimate		N/A	N/A
	Date of bid opening	05/07/2005 E.C	N/A	N/A
	Number of bidders: Participated, rejected and declined to submit	Four, two, six	N/A	N/A

	Awarded firm/contracting firm	YOTEK construction plc	EDSWCo, BUDSWS	EDSWCo, BUDSWS
	Date of contract award	09/09/2005 E.C	19/10/2013 G.C	
	Award price/original contract price	54,753,929.26	945,153.06	38,000.00 birr/month
	Unit contract price	None	N/A	N/A
	Contract security type and amount		None	None
	Date of contract signing	26/09/2005 E.C		13/06/2013 G.C
	Contract scope	Construction of G+4 Dormitory, G+4 Class room	Design of expansion works	Supervision & contract administration of G Dormitory and G+4 Class room
	Description of contract & contract components	Supply of all labour, material and machinery for Construction of G+4 Dormitory, G+4 Class room	Modification and adaptation of Dormitory and Class room	Service provision for construction supervision and contract administration
	Contract administration entity	EDSWCo, BUDSWS	AU construction project office	AU construction project office
	Contract duration	450 calendar days	60 calendar days	450 calendar days
	Contract start date	23/10/2005 E.C	19/10/2012 G.C	23/10/2005 E.C
	Intended completion date	13/01/2007 E.C	19/12/2012 G.C	13/01/2007 E.C
CONTRACT IMPLEMENTATION	Contract status	Completed	Completed	Completed
	Completion date (revised, projected, actual)	06/05/2007, 13/01/2007, 10/04/2007 E.C	None	30/05/2009,
	Changes to contract duration with reason	143 days due to variation works		5 months
	Amount of liquidated damages	None	None	None
	Contract price (revised, projected, actual)	60,644,164.26 , 54,753,929.26, 62,723,649.57	945,153.06	38,000.00 birr/month
	Changes to contract price with reason	7,969,720.31, due to variation works	None	N/A

	Scope of completion	G+4 dormitory, G+4 classroom and laundry	Design of expansion works	Supervision & contract administration of G Dormitory and G+4 Class room
	Changes to contract scope with reason	Laundry for students use	N/A	N/A
	Total payment effected	62,723,649.57		
	warranty type and description		None	None
	Details of termination	N/A	None	None
	Safety measures	None	None	None
	Quality of work	Good		
	Disputed issue & award details	None	None	None

DISCLOSURE OF PROJECT INFORMATION

	Date of disclosure	Jun-18
	Project owner	Aksum University
	Project name	Dormitory and Class room
	Sector, subsector	Education

PRELIMINARY PROJECT INFORMATION	Source for further information	EDSWCo, BUDSWS
	Project location	Aksum university health science campus, in Aksum town
	Purpose	Construction of G+4 dormitory and G+4 class room
	Project description	Supply of all labour, material and machinery for construction of G+4 dormitory and G+4 class room at health science campus
	Original project scope	G+4 dormitory and G+4 class room
	Project components	Concrete work, structural steel work, finishing, sanitary installation, mechanical installation, electrical installation and asphalt pavement
	Environmental impact	None
	Land and settlement impact	Displacement of local farmers
	Estimated budget of the project with breakdown of components	None
	Funding sources	Government of the FDRE
	Project budget approval date	None
	Project start date (planned, actual)	23/10/2005 E.C, 23/10/2005 E.C
	Planned/original duration for completing the whole project	450 calendar days
	Planned/original cost of the project	ETB 54,753,929.26
	Cost of the project at completion	ETB 62,723,649.57
	Changes of project cost with reason	ETB 7,969,720.31, due to variation works
	Project completion date (revised, projected, actual)	06/05/2007, 13/01/2007, 10/04/2007 E.C
	Actual duration for completing the whole project	593 calendar days
	Changes of project duration with reason	143 days due to variation works

PROJECT INFORMATION	Project scope at completion	G+4 dormitory, G+4 classroom and laundry for students use
	Changes of project scope with reason	Laundry for students
	Reference to documents for disclosure upon request (reactive disclosure)	EDSWCo, BUDSWS



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information of Wollo University

ADMINISTRATION BUILDING PROJECT

Reported by : Mesfin Shiferaw

June 2018

Addis Ababa, Ethiopia

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LIST OF ACRONYMS / ABBREVIATIONS

AP	- Assurance Professional
CoST	- Construction Sector Transparency Initiative
EIA	- Environmental Impact Assessment
ETB	- Ethiopian Birr
FDRE	- Federal Democratic Republic of Ethiopia
PPPAA	- The Public Procurement and Property Administration Agency
IDS	- Infrastructure Data Standard
NMSGEC	- National Multi-Stakeholder Group Executive Committee
PE	- Procuring Entity
PLC	- Private Limited Company
QAP	- Quality Assurance Professional
SBD	- the standard bidding document
VAT	- Value Added Tax

1. EXECUTIVE SUMMARY

Construction Sector Transparency Initiative (CoST) is a multi-stake holder initiative, which aims enhance transparency of Procuring Entities (PE) and construction companies. Core to this aim is disclosing construction project information into the public domain. The CoST Disclosure Process requires procuring entities to ensure that information about the purpose, scope, costs, and execution of publicly financed construction projects is open and accessible to the public, and that it is disclosed in a timely manner.

The objective of the project level assurance process is to collect project information, verify the accuracy and completeness of the information collected, Analyze the information obtained and highlight findings and causes of concerns in plain language in order to enable stakeholders to make informed judgment about the cost, time of delivery, and quality of the built infrastructure.

CoST Ethiopia, which is directed by CoST Ethiopia's Multi-Stakeholder Group (MSG) Executive Committee, which comprises representatives of the government, the private sector and civil society.

The NMSG-EC used the following sector and status criteria for selecting this project selection.

A project from the sector of building and related facilities of universities and an ongoing project with a degree of completion close to 80 percent or more.

The assurance professional (AP) has taken responsibility of executing the above-mentioned tasks.

One of the projects is an Administration building project of Wollo University. Wollo University is building an administration Building in the premises of the university located in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, and Dessie Campus.

The Design and Contract administration service contract of the project was assigned, among other projects of the university, directly to MH Engineering P.L.C.-consulting Engineers and & architects through a supplementary agreement of an existing main agreement between the two parties. The main agreement, was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual universities and other supplementary agreements followed since then.

The procurement of the works contract was conducted through an open national competitive bidding process. BerhanTobiaw Building Contractor signed the agreement or the works contract for contract amount of ETB 66,372,582.00 including 15% VAT and duration of 730 calendar days.

The only contract included in detail, in this assurance report is the works contract. This is because the other contracts, the design and the supervision contracts, are out of the scope of this report, as there are no enough

documents presented or/and as they include other projects that the PE (procuring entity) is executing simultaneously.

The disclosed information of the project represents the status of the project as of March /2018.

Mesfin Shiferaw is the AP (Assurance Professional) of this report

- **Summary of findings and causes of concerns**

General

Record keeping, both in print or electronic format, is generally required for protecting contractual rights and is useful for post-contract review so that one can learn from good and bad experiences, take measures to improve procurement and implementation procedures and so on. One cannot over emphasize the importance of establishing a documentation system as it enables the PE to maintain a complete simultaneous, chronological, and provable record of what happened on a particular time. What problems were there and what their impact were upon progress, program and costs of contracts.

The proclamation stipulates that all documents regarding a particular procurement case shall be kept for future reference and monitoring and control purposes for a period of ten (10) years

Consequently, it is strongly advised that it might be good for The PE to improve its documentation system or even better to establishing a documentation system to maintain documents properly.

Design Service contract, Supervision, and contract administration contract.

As the design and supervision, contracts include other projects in the university it is out of the scope of this report to give any further comments

Construction contract

Procurement information

- Not using the updated standard bidding document for that particular time, i.e. the standard bidding document (SBD) for procurement of works (August 2011).
- No Document presented showing that the PE had checked if bidders are registered suppliers.
- There is no document or print out presented that shows the bid announcement was released on the PPPA web site.
- Discussing and deciding on how to give points during the technical evaluation stage should be avoided.
- It is advisable to use Bid opening manual and other manuals i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid process.
- Long period of time (105 days from bid opening day) between the opening date and the award date of the contract to the successful bidder.

Contract information

- Lack of Proper and complete design work especially the building design with respect to the condition and topography of the site during the design stage created a variation order for additional retaining structure, which incurred the PE unexpected additional cost.
- Lack of Proper and complete design work and Site investigation or incorrect site investigation in determining the soil property of the site, has incurred the PE more cost. As the backfill material type in a work item, had to be changed to a new material. Furthermore due to the order to change the basement floor finish level so to raise the basement floor level higher than were it was to be according to the design, the same item showed a drastic increase in quantity, , which is also the cause of improper design of the building with respect to the site condition.
- Lack of completeness, with respect to document preparation and takeoff, so that not to miss work items.
- Lack of preparation of procurement plan, supported by action plan to ensure economical and efficient procurement operation forced the PE to give out a variation work, which was out o the scope of the project.
 - There is also lack of consistency in one of the work items described in the approved document of one of the variations, compared to the original work order given by the PE. The PE ordered for maintenance of some buildings, but at the end, in the approved document for the variation some of the buildings are changed with another building .i.e. according to the letter by the PE, the buildings that were mentioned for maintenance were **four G+1 existing classrooms and three G+0 existing Lecture halls**. However, in the final approved variation document, the buildings mentioned for maintenance were changed to be **four G+1 classrooms and one G+3classroom**.
- Granting of time extension for conditions that were not, according to the agreement and condition of contract, compensable, i.e. The consultant granted extension of time of 161 days for rainy days.
- Unacceptable way of administering a construction contract which includes not having,
 - A baseline and Regularly updated and approved programs that, in addition to others, show the planned percentage of work that will be executed in each month so the PE can control the progress of the work by comparing planed versus executed. This also concerns the new program which might have been approved (according to the soft copy the AP got lately) during the preparation of this report as it does not show the planned percentage of work in each month. The absence of such complete program will deter the PE from claiming liquidated damage and may expose the PE for further unnecessary expenses such as price escalation, compensation, and supervision fee.
 - A report showing the progress of the project by comparing the overall, planned versus executed, which could have helped the PE to control the project progress effectively.
 - A timely approved time extension requests, which might have helped the PE to evaluate the actual progress of the project and the extent and the cause of the delay of the completion time.
 -

2. INTRODUCTION

This assurance report is concerning the publication of the infrastructure data standard (IDS) of the aforementioned project as outlined in the disclosure standard of CoST- Ethiopia, it is also concerning the

process of verifying the accuracy and completeness of the collected information and analyzing the information to highlight issues of potential concern. The disclosed information of the project represents the status of the project as of March /2018.

Information items to be disclosed through this report were to include the collection and review of the procurement procedures and the contract implementation for design, supervision, and works contract. However, because the design, supervision, and the contract administration contracts included other projects in the university the study had to focus on the works contract only.

The report describes major information about the construction contract, which includes information concerning the procurement and implementation stages of the project. Under the procurement information item, information that will help stakeholders and the public in general to have an over view of the process is presented. The report will also analyze the compliance and efficiency of the procurement stage of the project and will present it in a clearly intelligible way. Under the contract implementation item, the report also analyzes information items by going through issues related to contract price, contract duration and contract scope. In addition, it analyzes cause of changes to the project with respect to the standard and to the contract agreement so that stakeholders and the public will get an idea and understanding of the issues and their consequences.

The report has also tried to analyze the project with respect to conditions of safety provisions provided in construction site.

Finally, recommendations are presented based on the main findings, causes of concerns and issues observed during the analysis, which will hopefully help the PE to take measures that can improve the execution of the project effectively.

The main objective of this assurance process is to collect information in order to insure the publication of the infrastructure Data Standards as outlined in the disclosure Standard of CoST-Ethiopia. It is also to verify the accuracy and competence of the information collected, and to analyze and interpret the information obtained so it will be in a form that can easily be understood by to the public and stakeholders in order to enable them to make informed judgment.

In this assurance process the first activity that the AP did was, using the introduction letter from CoST Ethiopia contacted the president and the assigned staff of the PE and, with the approval of the PE, the consultant to get available documents concerning the project.

Then using the available documents, the AP has tried to analyze the information obtained and to produce a report that is intelligible to non-specialist, highlighting the main findings and causes of concern that the analyzed information reveals.

The AP has also included in this report his professional impressions about different points by comparing events and decisions with the procurement laws of the country, the contract conditions of the contract and supporting documents.

The main challenge encountered in this assurance process was getting the necessary documents and getting them in time. Some of the documents and information were relatively easier to get than other remaining documents as it took long time and repeated effort. However, there are some documents, which are not available at all.

Unavailable or incomplete documents for this report include the following

- Environmental Impact assessment report
- Land and settlement impact assessment report
- Design reports and their completion time according to the agreement and the actual completion time.
- Payments issued for design and contract administration service.
- Section 2 and 3 of bid documents
- Document or print out showing if the bid announcement was released on the PPPA web site.
- Names and number of bidders who purchased the construction bid documents. (Not indicated on bid opening and bid evaluation documents).
- Engineering Cost Estimate (not indicated on bid opening and bid evaluation documents).
- Content of any complaint lodged on bid evaluation result. (Not indicated on bid opening and bid evaluation documents).
- Construction program (Schedule). The base line and any other revised ones up to the end of March 2018.
- Payment documents
- accidents record (accident & death)

3. DISCLOSURE OF PROJECT INFORMATION

- Project over view.

Wollo University conducted a procurement and contract implementation process to construct an administration building with a budget allocated from the government of the federal democratic republic of Ethiopia.

The main administrative building for Wollo University is a project composed of two blocks of G+4 buildings. It is located in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, Dessie Campus. The Building project is situated near the main entrance gate of the campus of the university.

There is no document available that shows if environmental, land and settlement impact assessment had been conducted for this project.

The project, among other projects in the university, is designed by MH-engineering PLC, according to the supplementary agreement signed with Wollo University. The supplementary agreement is part of the main

agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to design the administrative building includes the design of at least other two projects in the university. In addition, there are no documents presented that show information concerning the detail programs o agreement, design reports, payment, duration of the project.

The agreement for supervision and contract administration contract also includes other projects, which the university is conducting at the same time.

The PE conducted an open bid procurement process to select Berhan Tobiaw Building Contractor for the construction contract. The contract construction cost is ETB 66,372,582.00 including VAT, the contractor took possession of the site on 22/01/16 to complete the whole of the Works, with duration of 730 Calendar Days according to the contract agreement, and the project completion date was to be, according to the consultant repot, on Jan 20 /2018. The project was 67.5 % complete by the end of March/ 2018.

Scope of the project

This project is a program to design, supervise, and administrate the contract and to build an administration building that will enable Wollo University to upgrade the teaching and learning process to better level, the building is situated in Wollo University Dessie campus.

Thus, three contracts had to be executed to bring this project into reality. These are:

1. The service contract which is a contract for design and bid document preparation.
2. The service contract which is a contract for the supervision and contract administration of the works (construction) contract
3. The Work contract which is a contract for the construction of Works contract.

There is no document available that shows if environmental, land, and settlement impact assessment had been conducted for this project.

As there is no document presented by the PE for the environmental impact assessment study, one cannot give comments about the socio economic benefit and the undesired impacts of the project.

Based on the information from the PE's procurement document the project is funded by the government of the federal democratic republic of Ethiopia. The total project coast is very hard to calculate as the coast for the design, supervision, and contract administration are not known because even though the design and supervision service contract are separate they both include other projects and the price for these services are

not separately indicated. According to the construction contract agreement, the project cost for the construction service is ETB 66,372,582.00 including VAT.

Similarly, the total duration of the project, which includes the design, the supervision and contract administration and the construction service cannot be known because even though the design and supervision service contract are separate they both include other projects and the duration for these services are not separately indicated. According to the construction contract, the project duration for the construction service is 730 calendar days.

Overview of project identification

Project identification variable	Description
Project location	The project location is in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, Dessie Campus
Project scope	Construction of Main Administration Building.
Undesired impacts of the project	No such report was made available by the PE on any conducted study. Thus, It is very difficult to deduct that there is any undesirable impact by the project.
Source of funding	The project is fully funded by the government of the federal democratic republic of Ethiopia (the government).
Original project cost	Service contract for design–the contract includes other projects. Thus, it is difficult to separate the contract cost for this project. Service contract for the supervision and contract administration:- the contract includes other projects. Thus it is difficult to separate the contract cost for this project. Work contract - ETB 66,372,582.40 Total –It would have been good if one can determine the total project cost had the separate amount for the design and supervision and contract administration known.
Original project duration	There is no document presented which shows the length of duration of the design Service contract. There is no document presented which shows the length of duration of the design Service contract but one can understand that the duration is equal to the work duration .

	The contract duration according to the work contract is 730 calendar days.
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4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN CONTRACT.

4.1. DISCLOSURE OF PROCUREMENT INFORMATION

4.1.1. OVERVIEW OF THE PROCUREMENT PROCESS

The contract for the design work was executed by MH-engineering PLC-consulting Engineers and & architects.

According to the available document, the university is executing different projects simultaneously. The project, among other projects in the university, is designed by MH-engineering PLC, according to the supplementary agreement signed with Wollo University.

The supplementary agreement is part of the main agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to design the administrative building was signed on June 11, 2015, and includes the design of at least other two projects in the university. In addition, there are no documents presented that show information concerning the detail programs of agreement, preliminary and final design reports, payment, duration of the project.

For this service contract, the design agreement document is the only document that is presented by the PE. The contact document only shows there is an agreement between the two parties. The duration of the contract, the services included in the agreement, the total payment effected, and the actual total duration of the preliminary and final design documents and so on are not presented for reference.

The design fee for the design service contract includes the other two projects mentioned. However the design fee for each project is not indicated in the contract agreement. Thus the total contract price for the design of all projects in the agreement is ETB372,441.30 including 15% VAT.

Except indicating that there are attached documents for the scope of the contract, the agreement document does not show the duration of the design contract or the scope of the contract.

Thus, according to the documents presented one can deduce that the contract is awarded directly to the consultant in spite of the proclamation for procurement there was no procurement process conducted to select a consultant.

Article 25/1 of The Proclamation stipulates that “Except as otherwise provided in the Proclamation and this Directive, public bodies shall use open bidding as the preferred procedure of procurement.”

4.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

The complete availability of all relevant documents of the procurement process will determine the completeness of the disclosed procurement information. In the absence of major documents which might have shown the justification why the design service had to be assigned directly to the consultant, the scope of the contract and the contract duration. It is very hard to conclude that the disclosure of the procurement information is complete.

4.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

4.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH THE RULES OF ADVERTISEMENT

As it is previously mentioned the PE has presumably decided to award the Design service contract directly to MH consult PLC, without conducting any procurement process, as a supplementary agreement of an existing main agreement.

Thus, one can conclude that the procurement process of advertisement is not in compliance with regulations of PPPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services. Version 1, July 2011.

4.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

As the PE had presumably decided to award, the service contract directly to MH Engineering PLC (the consultant) and thus, in the absence of procurement procedure for the procurement of the design contract according to the proclamation of the procurement one cannot decide if the process is inefficient.

4.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The proclamation of procurement of the Federal Republic of Ethiopia, stipulates that the PE have to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be fair. In this case for the fact that there was no bid process conducted to procure the design service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was fair.

4.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be transparent. In this case for the fact that there was no bid process conducted to procure the design service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was transparent.

4.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The procurement directive stipulates “A Public Body using a method of procurement other than open bidding, pursuant to article 33/3 of the Proclamation. Shall record a statement of the grounds and circumstances on which it relied to justify the use of that method.”

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be objective. In this case for the fact that there was no bid process conducted to procure the design service. as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of sufficient information as there was no adequate document presented on the whole process, it is very hard to conclude that the process was objective.

4.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The procurement proclamation of the Federal Republic of Ethiopia and the Directive, states that any public procurement must ensure economy. However, as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) as a supplementary agreement, there was no bid process conducted to procure design service. Furthermore, the document so far presented does not show if PE had made any effort to verify that the service price is competitive.

4.2. DISCLOSURE OF CONTRACT INFORMATION

4.2.1. OVERVIEW OF THE CONTRACT

According to the single page document presented by the PE, The Contract for the design of the administration building includes other two buildings of the university, which are out of the scope of this report. The contract which was signed on June 11/2015 is a supplementary agreement of the previously existing main agreement which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities.

The contract design fee including the other projects (which are out of the scope of this study) is ETB 372,441.30 including 15% VAT. The document does not show the scope of work, the duration of the contract and so on.

Furthermore there are no documents presented which shows other information such as when the preliminary and final design were completed, the payments effected and the preliminary and final design reports submitted and so on.

4.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

4.2.2.1. COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

In the absence of major documents which might have shown The scope of the contract, the contract duration, and the amount of payment made, when and if the preliminary and final design were completed, the payments effected and the preliminary and final design reports submitted and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

4.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

4.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1. ISSUES RELATED TO THE CONTRACT PRICE

As there are, no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the price.

4.2.3.2. ISSUES RELATED TO THE CONTRACT DURATION

As there are, no documents presented by the PE, which show the duration of the contract, if there had been a change of duration compared to the contract duration, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the duration.

4.2.3.3. ISSUES RELATED TO THE CONTRACT SCOPE

As there are, no documents presented by the PE, which show the scope of contract, if there had been a change of scope compared to the contract price, and as the contract includes other projects, which are out of the scope of this report one cannot give comments about issues related to the scope.

5. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION & CONTRACT ADMINISTRATION SERVICE CONTRACT.

5.1. DISCLOSURE OF PROCUREMENT INFORMATION

5.1.1.OVERVIEW OF THE PROCUREMENT PROCESS

The construction supervision & contract administration service contract is being executed by MH-engineering PLC-consulting Engineers and & architects.

According to the available documents, the university is executing different projects simultaneously. This project, among other projects in the university, is being supervised by MH-engineering PLC, according to the supplementary agreement signed with Wollo University.

The supplementary agreement is part of the main agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country.

The main agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to construction supervision & contract administration service of the administrative building includes many other projects in the university. In addition, there are no enough documents presented that show information concerning the first supervision agreement for the project, payment effected for the work and so on.

For this service contract, the construction supervision & contract administration agreement document is the only document that is presented by the PE. The contact document only shows there is an agreement between the two parties. Documents for, the total payment effected, and so on are not presented for reference.

Thus, from the available documents one can deduce that the contract is awarded directly to the consultant in spite of the proclamation for procurement. Article 25/1 of The Proclamation stipulates that “Except as otherwise provided in the Proclamation and this Directive, public bodies shall use open bidding as the preferred procedure of procurement.”

5.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

In the absence of major documents which might have shown the justification why the construction supervision & contract administration service had to be assigned directly to MH Engineering PLC (consultant), the amount of payment made, if the service was completed in the contract duration, if there is any change of price, duration and scope, and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

5.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The accuracy of the disclosed information is dependent on the availability of all and original documents so that one can compare or check the accuracy of the information. In the absence of major documents of the service contract, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

5.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH THE RULES OF ADVERTISEMENT

As it was previously mentioned, the PE has presumably decided to award the construction supervision & contract administration service contract directly to MH consult PLC without conducting any procurement process as a supplementary agreement of an existing agreement. The agreement includes many other projects which the PE is conducting in parallel.

Thus, one can conclude that the procurement process of advertisement is not in compliance with regulations of PPPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services. Version 1, July 2011.

5.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

As the PE had presumably decided to award, the service contract directly to MH Engineering PLC (the consultant) and thus, in the absence of procurement procedure for the procurement of the design contract according to the proclamation of the procurement one cannot decide if the process is inefficient.

5.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The procurement proclamation and the Public Procurement Manual stipulate that, there should be a procurement process that is conducted according to the SBD for Procurement, to select and award a service provider. In deciding to award the supervision and contract administration service directly to MH consult PLC, the PE had ruled out the fairness of the procurement rules on participation.

5.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be transparent.

In this case for the fact that there was no bid process conducted to procure the service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was transparent.

5.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The procurement directive stipulates “A Public Body using a method of procurement other than open bidding, pursuant to article 33/3 of the Proclamation. Shall record a statement of the grounds and circumstances on which it relied to justify the use of that method.”

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will have award criteria, which is objective.

In this case for the fact that there was no bid process conducted to procure the supervision and contract administration service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of sufficient information as there was no adequate document presented on the whole process, it is very hard to conclude that the process was objective.

5.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The procurement proclamation of the Federal Republic of Ethiopia and the Directive, states that any public procurement must ensure economy. However, as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) as a supplementary agreement, there was no bid process conducted to procure the **construction supervision & contract administration service**. Furthermore, the document so far presented does not show if PE had made any effort to verify that the service price is competitive.

5.2. DISCLOSURE OF CONTRACT INFORMATION

5.2.1. OVERVIEW OF THE CONTRACT

According to the two pages of documents presented by the PE, The Contract for the supervision and contract administration service of the administration building includes many other buildings of the university, which are out of the scope of this report. The contract which was signed on September 1/2017 is a supplementary agreement of the previously existing main agreement which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities and many other supplementary agreements.

The contract supervision and contract administration service fee including the other projects (which are out of the scope of this study) is ETB 94,300.00/ month, including 15% VAT. The document show that the duration of the contract is between September 1, 2017 and June 30/2018.

Furthermore, there are no documents presented which shows other information such as scope and conditions of the agreement, payments effected and so on.

5.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

In the absence of major documents, which might have shown, when and if there is any change of scope, price and duration of agreement, the payments effected so far and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

5.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

5.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1. ISSUES RELATED TO THE CONTRACT PRICE

As there are no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the price.

5.2.3.2. ISSUES RELATED TO THE CONTRACT DURATION

As there are, no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects, which are out of the scope of this report, one cannot give analysis about issues related to the duration.

5.2.3.3. ISSUES RELATED TO THE CONTRACT SCOPE

As there are no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the scope.

6. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR WORKS (CONSTRUCTION) CONTRACT.

6.1. DISCLOSURE OF PROCUREMENT INFORMATION

6.1.1. OVERVIEW OF THE PROCUREMENT PROCESS

The procurement process of the Administration building project was conducted according to the open national tendering procedure contained in the old version of the public procurement procedure of the federal Government of Ethiopia. However as the version had been replaced by the new, **Standard Bidding Document (SDB) for procurement of works (August 2011)**, the PE should have used the new document.

The announcement to invite bidders for the construction of Wollo University main administration building was advertised (issued) on Ethiopian herald newspaper vol.LXXI No. 296 on 15/12/2008 E.C the opening day was 28/09/2015 (17/01/2008 E.C).The evaluation process included technical and financial evaluation stages.

According to the minute of tender opening document the bid was opened on 29/09/2015 (18/01/2008 E.C) one day after the opening day specified on the newspaper presumably this might be because the day was a holyday, during the opening process, documents of 10 bidders had been opened and checked for responsiveness. There is no mention of bidders rejected on the opening day. There is no document present showing the attendants who chose to watch the opening ceremony.

Without forgetting, that the document for evaluation and award criteria (Section 3) was not presented and the procuring document used is obsolete document, one can see from the technical evaluation minutes that the criteria used for technical evaluation may have been as follows.

No	criteria	Max Point
1	General Experience record	45
2	proposed construction methodology and schedule	15
3	proposed man power	15
4	proposed construction plant and equipment	15
5	Working Capital	10
	Total	100

Evaluation criteria according to the evaluation document attached to technical bid evaluation minutes.

The technical evaluation was conducted and completed on 14/03/2008E.C. According to the technical evaluation minute, six bidders were successful to pass to financial evaluation. The original document for evaluation criteria (section 3) was not available for comment. However, the committee, according to the

minutes, had discussed and agreed on some of the evaluation points to reach on how to reject and how to give points to bidders. However had the proper document for the bid process **the standard bidding document (SDB) for procurement of works (August 2011)** been used such discussion and decision to evaluate bidders would have been avoided.

Technical Evaluation results (R responsive, NR none responsive)

No	Bidders' name	Point scored (%)	Responsiveness/Non-responsiveness	Remark
1	Afro-Tsion Construction PLC	97.50	R	
2	Flint Stone Engineering	93.50	R	
3	Homa Construction	93.50	R	
4	Yotec construction	89.00	R	
5	CORACON Construction	85.50	R	
6	Birhan Tobiyaw Building Contractor	72.00	R	
7	Adam Construction PLC	0.00	NR+	Rejected
8	Lusi engineering JV Dani construction	0.00	NR+	Rejected
9	Mohamed Abass	0.00	NR+	Rejected
10	Trust Construction		NR+	Rejected

The financial evaluation was completed on 21/04/2008 E.C by recommending the contract to the least bidder.

Financial Evaluation results

No	Bidders' name	Evaluated Offer/after arithmetic correction	remark
1	BirhanTobiyaw Building Contractor	66,372,582.40	1st
2	Flint Stone Engineering	71,196,030.86	2nd
3	Yotec construction	73,341,168.30	3rd
4	Homa Construction	74,556,722.51	4th
5	CORACON Construction	80,747,264.39	5th
6	Afro-Tsion Construction PLC	101,894,962.65	6th

On 03/05/2008 EC, a letter of acceptance was issued for the bidder who has been selected for the job. There is no document presented, which shows if the unsuccessful bidders were notified and if the PE had received any complaint from the bid participants or if the required days for complaint are respected. The contract for the construction work was signed on 21st of January 2016 (12/05/16 E.C).

The process of procurement, from bid opening up to the award took 105 days i.e.

- The technical evaluation took 56 days (from 18/01/2008 up to 14/03/2008 E.C)
- The financial evaluation took 37 days (from 14/03/2008 to 21/04/2008) and
- Finally awarding the project to the winner took 12 days (from 21/04/2008 to 03/05/2008).

6.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION.

The completeness of the disclosed information is very much dependent on the documents which are made available by the PE. Even though important documents of the process such as bid invitation announcement, bidders who submitted their bid and technical and financial evaluation documents are made available. as mentioned previously some documents such as the original technical evaluation and award criteria document (section 3), the number of bidders which purchased the bid document, Engineering Cost Estimate and Content of any complaint lodged on bid evaluation result are not presented. Therefore, it would be very hard to conclude that the disclosed procurement information is complete.

6.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION.

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicating the required documents. Even though there are some documents not presented the AP has succeeded in collecting most of the documents for the works contract and in comparing them for their accuracy. Thus, unless for those documents that were not presented the AP was able compare and insure the accuracy of the disclosed contract information.

6.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION.

6.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

As stated above the announcement to invite bidders for the construction of Wollo University main administration building was advertised (issued) on Ethiopian herald newspaper vol.LXXI No. 296 on 15/12/2008 E.C. with the opening day mentioned to be 28/09/2015 (18/01/2008 E.C)

There is no document or print out presented that shows the bid announcement was released on the PPPA web site.

General

The major point that the AP realized during checking the bid document is that the PE did not use the correct standard bidding document for that particular time, i.e. **The standard bidding document (SDB) for procurement of works (August 2011) prepared by the PPPAA**. The PE used the previously available document, which had been replaced with the previously mentioned document. However, the AP continued with the analysis process with the understanding that the assurance processes has to continue with the available document.

The Bid notice

- The information included in the bid advertisement (announcement (notice)) were
 - Source of fund, method of procurement, time and Date of opening, Place of opening address for source of information, how and where to return the document, the amount and type of bank security (ETB500,000.00), and The PE also mentioned that the bid is an open bid process.

This is, one can say, well in accordance with the federal Public Procurement directive (June /2010) article 16.2. Invitation to bid sub article 16.2.3.

- It would have been good however to indicate or mention the evaluation criteria on the bid notice since the user's guide for the preparation standard bidding document states, It is stated that Bid Notices should be designed to provide information that enables potential bidders to decide whether to participate in a bidding process or not.

“Apart from the essential items, the Invitation to Bid Notice should also indicate any important bid evaluation criteria (for example, the application of a margin of preference in bid evaluation) or qualification requirements (a minimum level of turnover or experience)”.
- The tender invitation was on air from 15/12/2008 E.C to the opening day i.e. 28/09/2015 (17/01/2008 E.C) for a total of 37 days. The user guide indicates that, “In deciding the deadline for Bid Submission, the PE should allow Bidders sufficient time for obtaining and studying the Bidding Document, preparing complete and responsive bids and submitting the bids. Procuring Entities are required to comply with the minimum bidding periods given in the Directives.” Thus accordingly, This is compliant to the federal Public Procurement directive (June /2010) article 16.9 Setting of bid floating periods, which states

“Without prejudice to article 19.6.1 above of this directive, the floating period shouldn't be less than the minimum date stated in Annex 3 of this directive.”

Annex 3 states that “the minimum period for submission of bids shall be 21 days or non-complex and 30 days for complex type procurement process of work.”

- There is no document presented that shows record of bidders to whom bidding document have been issued.

According to the user guide to bid preparation, “A record must be kept of the Bidders to whom Bidding Documents have been issued. Receipts must be issued for all fees paid.”

These documents would have helped the PE to know among other things the number of bidders who chose not to return the bid, so to inquire why they did not return the bid and avoid those cases which hinder bidders not to return bids that the PE issue. Furthermore, the PE will be able to identify those bidders, which try to participate in the process without buying the bid document from the PE.

- The Bid opening process

- The Bid opening date and time was not according to the opening day described on the newspaper. The newspaper Bid opening date was on 28/09/2015 (17/01/2008 E.C) on 4:30 AM but the bid was opened on the next day 29/09/2015 (17/01/2008) most probably the opening day was postponed because the day was a holyday.
- The PE had not rejected any bidder on the day of opening.
Which is good as according to the user guide to bid preparation The procuring proclamation states that:- "Do Not reject any bid at Bid Opening, except for late bids received after the date and time of bid submission deadline."
- There is **no document** presented which shows the **attendants who chose to watch the opening ceremony** and many other information about the opening day. Thus, it is advisable to use Bid opening manual i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid opening.

6.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS (TIME LINES)

The procurement process, from bid opening up to the award of contract took 105 days i.e.

- The technical evaluation took 56 days (from 18/01/2008 up to 14/03/2008 E.C) and
- The financial evaluation took 37 days (from 14/03/2008 to 21/04/2008)
- Finally awarding the project to the winner took 12 days (from 21/04/2008 to 03/05/2008).

According to Public Procurement Manual (December 2011) APPENDIX 9: estimated procurement lead times, guidelines for determining completion timescales. The estimated lead-time for Tender Evaluation and Report

Submission is 2 to 4 weeks, the estimated lead-time for Recommendation by Procurement Endorsing committee is 1 to 2 weeks, and the estimated lead-time for contract award is 1 to 2 weeks. If we take the maximum estimated durations, the total duration will be around 8 weeks or 60 days. Furthermore, the procurement directive June 2010 article 16.15.4 states that

“Public bodies have to complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders however, where the Public Body realizes that for reasons beyond its control the price validity period expires before the completion of the bid proceeding, it shall request bidders to extend the validity period of their bid price.”

From the above condition, we can conclude that the time from the **opening day to technical and financial evaluation process up to the award of the work contract took very long time**. There is no document presented that shows if the PE had requested bidders to extend the validity period of their bid price nor if the bidders agreed to the request. This is because the procurement directive, June 2010 states that the bidders should express in writing of their agreement and how long they are willing to extend the period of their bid security.

There is no document presented that shows the reason why the awarding process took such a long time. However, it is clear that it is good to avoid such type of delays as it will cast doubts on the bid evaluation process and cause unnecessary inconveniences on the participants.

6.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

In order to get sufficient time for obtaining and studying the Bidding Document complete and responsive bids and submitting the bids the PE should allow Bidders to have sufficient preparation time. In this case The tender invitation was on air from 15/12/2008 E.C to the opening day i.e. 28/09/2015 (17/01/2008 E.C) for a total of 37 days.

This is compliant to the federal Public Procurement directive (June /2010)article 16.9 Setting of bid floating periods, which states

“Without prejudice to article 19.6.1 above of this directive, the floating period shouldn’t be less than the minimum date stated in Annex 3 of this directive.”

Annex 3 states that “the minimum period for submission of bids shall be 21 days or non-complex and 30 days for complex type procurement process of work.”

However, other matters should also be taken into consideration, one of them is there is no document presented that shows of record of bidders to whom bidding document have been issued. According to the user guide to bid preparation, “A record must be kept of the Bidders to whom Bidding Documents have been issued. Receipts must be issued for all fees paid.”

These documents would have helped the PE to know among other things the number of bidders who chose not to return the bid, so to inquire why they did not return the bid and avoid those cases which hinder bidders not to return bids that the PE issue. Furthermore, the PE will be able to identify those bidders, which try to participate in the process without buying the bid document from the PE.

The other is as stated in the procurement directive to participate in any public procurement, being registered in the suppliers list is a prerequisite. There is no document presented that show if the PE checked bid participants are registered in the suppliers list.

6.1.3.4. TRANSPARENCY OF THE TENDER EVALUATION PROCESS.

As stated in the procurement directive to participate in any public procurement, being registered in the suppliers list is a prerequisite. However, there is no document presented showing if the PE had checked if bidders are registered suppliers.

The standard instruction To Bidders section 4.6 stipulates that “To participate in this public procurement process, being registered in the suppliers list is a prerequisite (mandatory for domestic Bidders only)”.

In addition to that keeping in mind that the original document for evaluation criteria is not available the AP, cautious not to reach to wrong conclusion, tried to evaluate items mentioned on the document of minutes of technical evaluation committee-meeting as it is described on the minutes only. Accordingly, one can see from the minutes that the committee had to agree and decide on how to use some evaluation criteria to give points for evaluating bidder’s document; this may show that the evaluation criteria lack clarity.

Such lack of clarity or **discussing and deciding on how to give points during the evaluation stage should be avoided**. The evaluation committee should go through every evaluation criteria during the bid document preparation stage. It has to exhaust any undesired scenarios, and had to avoid ambiguity. Otherwise, this might lead to the use of evaluation criteria that are not stated in the bid document or to criteria manipulation, and this will cast doubt on the evaluation process.

The other mater is there is no document presented which shows if all bidders were made aware of the evaluation result in writing at each evaluation stage and if the date of the opening of the financial documents was respected.

As the procurement directive 45.2/states, “The Public Body shall communicate the result of the technical evaluation in writing to all bidders at the same time.”

Furthermore, the directive 45.2/d states, “A Public Body may open the envelopes containing the financial proposals after 5 working days from the date of notification of the result of the technical evaluation to the bidders.”

In the absence of such documents, it would be very hard to conclude the evaluation process was transparent.

Furthermore, from the **opening day, to the technical and financial evaluation process up to the award of the work contract took very long time.** (105 days from bid opening day). As there is no document presented for this case also, it is not clear why the awarding process took such a long time.

Such type of inconsistency and delays will cast doubts on the Transparency of the bid evaluation process and will cause unnecessary inconveniences on the bid participants.

6.1.3.5. OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

As mentioned previously, the PE did not use the correct standard bidding document for that particular time. Which is **the standard bidding document (SDB) for procurement of works (August 2011) prepared by the PPPA** which indicates, the evaluation methodology and criteria to use, furthermore the original document for evaluation criteria (section 3) is not available. Thus, one cannot surely say the tender evaluation and award criteria were objective.

6.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The minutes for the financial evaluation indicate that the evaluation committee had compared the awarded bid offer with the engineering estimate and had concluded that the offer is comparable. However In the event of the absence of the original engineering estimate document one cannot say anything about the competitiveness of the award price. Nevertheless, just to have some insight one can check the price by taking the average of the bid participant's price as a guide. Thus as the number of bidders participated in the final financial evaluation process are six it might be fair to take the average of their offer to compare the result with the award price to have an idea of the competitiveness of the offer.

Referring to the tender evaluation document for financial offers, the average value of the bidders is 78,018,121.85. When this amount is compared to the award price, which is ETB 66,372,582.00. one might conclude that the award price is competitive.

6.1.3.7. OVERVIEW OF CONTRACT MILESTONES : ORIGINAL SCOPE, TIME AND COST

In the absence of the document for project inception study as it is not presented, the AP cannot give an overview of the scope, time and cost milestones of the project.

6.2. DISCLOSURE OF CONTRACT INFORMATION

6.2.1. OVERVIEW OF THE CONTRACT

The PE signed the works contract with Berhan Tobiaw Building Contractor, with a contract amount of Birr 66,372,582.00 including VAT and contract duration of 730 Calendar Days. In reference to the consultant MH-engineering PLC-consulting Engineers and & architects which is the supervisor and contract administrator of the project report, The contractor took the site on 22/01/16 and the project completion date was to be, on Jan 20 /2018. However, the project was only 67.5 % complete by the end of March/ 2018.

From the beginning of the construction until the end of march/2018, two variation orders were given to the contractor. The first is to order the contractor to change the backfill material and to construct retaining walls to the three sides of the building. The AP presumes, going through the presented document, that the variation order to change the backfill material in the contract was necessary because the consultant lately realized the excavated material from the site could not be used for backfill as it was originally thought and was included in the contract. Furthermore, the quantity of this item increased because during foundation excavation the PE realized that, if the original design floor finish level was maintained, the building would be buried in the sloppy terrain of the site. Thus, the PE ordered the consultant to raise the floor finish level up causing the increase in quantity of the backfill. The order to build a retaining wall was necessary, because the consultant realized after the construction commenced, that the soil due to the topography of the site has to be supported so it will not fall or slide on the building. The additional cost for this variation is 2,442,375.60 including VAT.

The second variation was the order of the PE for maintenance work of four G+1 existing classrooms and three G+0 existing Lecture halls found in the university. The variation was necessary, because of the urgency to maintain the classrooms and lecture halls before the starting of the next academic year. The additional cost for the second variation is ETB2, 843,219.75 including VAT.

So far, Due to these two variations the total construction cost of project has risen to ETB 71,658,177.35

There are Changes in contract duration also, which according to the consultant were caused by three different reasons. These are due to the PE not removing obstacles from the site, variation order no 1 and adverse weather condition. The additional time duration approved for the project so far is 169 days “calendar”.

6.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1. COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION.

The complete availability of all relevant documents of the works contract will determine the completeness of the disclosed contract information. Even though documents such as the agreement contract, variation orders, and time extension request approval documents are available. The absence of some documents such as, the approved baseline project program and other revised programs, payment certificates, the project reports which clearly show the progress in relation to the total program, and so on would cast doubt on the completeness of the disclosed information.

6.2.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though there are some documents not presented the AP has succeeded in collecting most of the documents for the works contract and in comparing them for their accuracy. Thus, unless for those documents that were not presented the AP was able compare and insure the accuracy of the disclosed contract information.

6.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1. ISSUES RELATED TO CONTRACT PRICE

According to the consultant project report of March / 2018, two variations were issued which the overall change to the contract price was 7.96 %. The adjusted contract price is ETB 71,658,177.35

Changes as compared to the original contract price including VAT

Original contract price.ETB 66,372,582.00

Variation order Noone.ETB 2,442,375.60

Variation order No two.ETB 2, 843,219.75

Total of variations ETB 5,285,595.35

The Total change in contract price due to variation is 7.96 % of the project price

Summary of the variations

Variation order No.1 ETB 2,442,375.60

Detail without VAT:-Item 1.01- backfill under hard core 1,513,052.90

2.01 -masonry work. 464,545.44

3.01 -pavements around the building.... .117,743.81

3.02-drainage pipe.	15,957.65
3.03-concrete coping.	15505.87

Variation orderNo. 2. ETB2, 843,219.75

Detail without VAT:- Item 1.01- Block 01(CL-s2-xx-011)	477,364.85
2.01 - Block 01(CL-s2-xx-011)	493,289.73
3.01 - Block 01(CL-s2-xx-011)	528,494.54
3.02- Block 01(CL-s2-xx-011)	471,361.46
3.03- G+3 class room.	501,854.42

Variation order number one.

1. Retaining wall

According to the consultant, variation order No 1 “Was necessary because the topography of the site necessitated additional retaining structure along the three sides of the building.”(ref No. MHE/247/16 dated 14/03/2016).

Such kind of structures are needed when the site has slop and the soil had to be supported so it will not fall or slide on the building structure.

This work item is around 22 % of the total price of variation No.1

2. Back fill under hard core

There is another major work item included in this variation, back fill under hard core. This additional work might have been caused by either one or both of the causes described below.

- Change of backfill material, which was an order given by the consultant to the contractor by the letter dated 11/04/2016 ref No. MHE/DESSIE/267/16. The letter states that “The soil excavated from the project is not appropriate for backfill under hard core as it was stated in the contract document.” and gave order to the contractor to execute backfill under hardcore with backfill material brought from quarry instead of the contract item which specifies to use the backfill from excavated material in the site.
- The other cause which might have created this variation item or at least increased the quantity of the item is the order to, “change the basement floor finish level, so to raise the basement floor level,(from what the original design require), in order to avoid the building from being buried in the ground.”This is according to the letter from the PE dated on 18/03/2016 ref NoWU0014/p01/2016.

This second order was necessary because, the order to change the basement floor level came after bulk excavation and deep (pit) excavation had already been executed. Thus “the excavated area had to be filled with selected material and dip excavated pits had to be filled with hard core and plain concrete” (MHE/253/16 dated 22/03/16) in order to raise the floor further up.

The AP could not get the exact reason because the documents for this variation are not clearly summarized and does not show the exact cause and reason of the item's variation and its quantity hike.

This work item is around 73 % (Birr 1,513,052.9 without VAT) of the total price of variation No.1

3. Concrete pavement around the building

There is also another work item included in this variation. That is, concrete pavement around the building. It is around 5.5 % of the total value of variation No.1.

- This item of work was ordered by the consultant through the latter dated 16/05/16 Ref. MH.E/DESSIE/0286/16. According to this letter, this item was missed was not specified in the contract during document preparation that it has to be included in the variation work order.

Finally, the PE has approved and accepted variation number one on 19/08/2016 ref No wu0139/p01/16.

Variation order No. 2

1. This variation is due to the PE's ordering the consultant to give order to the contractor to execute the maintenance work of **four G+1** existing classrooms and three G+0 existing Lecture halls which are found in the university.

It is a variation initiated by the PE. The PE had justified the reason to give this variation, at the time, by indicating the urgency to maintain classrooms and lecture halls before the starting of the next academic year.

“Note that the work is urgent, that should have to be finished at summer time before staring 2009 academic calendar. If not it is difficult to maintain when the academic year program is stated. So let you give attention as urgent and the measurement and building shall be done soon.” (Re No wu0102/B02/16 dated 04/08/2016)

Concerning variation order number one:-

1. It is not clear why the consultant did not include the retaining structure during the design stage or right from the beginning.

The AP believes that any design work should include the “Site Investigation Reports “and surveying data of the plot were the building is supposed to rest on, So that one can determine the topography of the site among other things. The survey of the site will show the designer how he should place the building on the plot, with respect to the slop among other things and if there should be a retaining wall or not, where it should be placed and so on.

Accordingly, the consultant at the design stage should have included the retaining structure in the bid document. This might have avoided the extra cost and time caused by variation order.

It might be better for the PE to always check the final design documents of a project for completeness and should also understand and inquire for every detail.

2. The additional work might have been caused either by one or both of the causes described below.

Backfill material

After executing excavation for foundation and after the foundation is constructed the space provided for working and maneuvering, the space created between the building floor finish level (slab and hardcore) and the vacated space left by the excavated soil should be backfilled with good filling material. Either, from the same excavated material, as long as it is suitable for the job, or if not from selected material brought from outside.

In this particular case according to the letter dated 11/04/2016 ref No MHE/DESSIE/267/16, the consultant included this item of work in the contract by indicating the backfill material to be the excavated material from the site.

Even though the AP didn't get the design report document, Usually Consultants reach to this decision by conducting soil tests at various locations of the project site during the design stage. In this particular case as the consultant has indicated in the contract that the backfill work is to be executed using the excavated material from site, it shows that the soil was tested and was selected as a backfill material. Thus, it is not clear why the change of material was necessary during the construction stage.

However If there was no soil test conducted by the consultant/engineer during design stage, which is very hard to believe as the design of the foundation could not be done without the test result, one can conclude that the change of material could have been avoided by conducting soil test during the design stage.

The other thing is, when an Item, which was in a contract is replaced with a new item through variation, the total sum of the variation should have been calculated by taking into consideration of the omitted item, no matter how small the cost is. Which means the total omission amount should be deducted from the total addition amount to reach to the net variation amount. In this case there was no omission work item indicated in variation order No.1, Thus as this work item was already in the contract with some amount of money, the omitted rate should have been indicated and be deducted from the total amount of the variation order when it was replaced with another item.

Nevertheless, one can conclude that this work item change seems to be caused by the lack of Site investigation (soil investigation) this has in turn caused the unit price for the work item to increase extremely,

and the lack of Site design or improper site design with respect to the topography of the site caused the quantity to increase.

Therefore, it is better for the PE to always check design documents for a project for completeness and should also understand and inquire for every detail in this case, the arrangement of the building in relation to the site condition.

3. The other work item included in the variation “Pavement around the building” had been incorporated because it was missed in the main contract (letter dated 16/05/16 ref. No. MH.E/DESSE/0286/16).

Thus to sum up, according to the available documents this far, this variation (variation NO 1) could have been avoided by proper and complete design work specially the building design with respect to the condition and topography of the site and proper soil test. It would be better also for The PE to properly check and understand the design and bid documents and the completeness of the design.

Furthermore, if the item for backfill (case 2) is a material change then there should be an omitted work item from the contract. That omitted item’s cost, no matter how small, should be mentioned and reduced from the total variation cost as this will complete the proper documentation of the variation even though, it will not reduce the cost that much, as the omitted cost is very small compared to the additional cost. Moreover, as we will discuss it later this will also affect to some extent the length of the extended time.

Concerning variation order number Two: -

The maintenance work of **four G+1** existing classrooms and three G+0 existing Lecture halls, which are found in the university. The reason to give this order was the urgency to maintain the classrooms and lecture halls before the starting of the next academic year.

Even though the concern and urgency of the PE is understandable, considering the need to provide the university community with classrooms and lecture halls during the beginning of the academic year, and considering the extent and number of projects being executed in the university. It is obvious that such kind of variation could have been avoided by following the Public Procurement Directive, and Prepare procurement plan.

According to the Public Procurement Directive

“Any Public Body and other entities accountable to such Public Body shall be required to prepare a procurement plan supported by action plan enabling them to execute in due time, the procurement necessary to implement their work program”

“To ensure economy and efficiency in the operation of the Public Body by discouraging piecemeal purchase.”

In summary, the PE in the future should avoid such drastic decisions and should plan procurements ahead of time; it should also prepare action plans that will go along with the teaching and learning process to avoid any unnecessary/urgent procurements.

On the other hand, there is also another concern here. According to the letter which, the PE wrote to the consultant (Re No wu0102/B02/16 dated 04/08/2016), the buildings that were mentioned to be maintained were four G+1 existing classrooms and three G+0 existing Lecture halls. However, the final approved variation document shows the buildings that are to be maintained are four G+1 classrooms and one G+3 classroom. The AP could not find any document that shows what caused the change of the three G+0 **existing Lecture halls to one G+3 classroom.**

6.2.3.2. ISSUES RELATED TO CONTRACT DURATION

Changes of contract duration as compared to the original contract duration.

- The total contract duration of the project is 730 calendar days.
- So far, additional time duration approved by the consultant for the project is 169 days “calendar.” Thus, the new duration of the project is 899 calendar days.
- Duration change compared to the contract duration is about 23%

The contractor commenced the project, according to the consultant report on 26/01/2016 (13/05/2008EC). The contract duration of the project was 730 days.
The site handover was conducted on 22/01/2016

According to the consultant’s document, the contractor requested for time extension on 19/12/2017 with a letter reference number H001/0111/2017.

In 14/03/2018 with a letter Ref. No MHE/DESSE/013/18 the consultant has approved overall 169 days of additional time by indicting the summery as the sum of:-

- | | |
|---|----------------|
| 1) Due to the presence of water and other utility lines passing on the construction site..... | 40 days |
| 2) Due to design modification i.e. stoppage caused by client’s order to increase basement height..... | 12 days |
| 3) Due to variation order number 1 | 27 days |
| 4) Adverse weather condition..... | 161 days |
| Where Overlapping days are Deducted | <u>71 days</u> |
| Total additional time..... | <u>169days</u> |

As it was mentioned above according to the consultant's report, the project commenced on 26/01/2016 (13/05/2008) and up to the month of March /2018, 789 days had elapsed. However, the contract duration of the project was 730 days.

This shows that without the PE's or consultant's approval for any time extension the project completion date had come and gone.

According to the consultant's document, the contractor requested for time extension on 19/12/2017 with a letter reference number H001/0111/2017. However, the consultant had not reached on any decision up until after the contract completion date. It is not clear why the consultant/engineer took such a long time to approve or disapprove the delay justification request.

As previously mentioned in 14/03/2018 with a letter Ref. No MHE/DESSE/013/18 the consultant has approved an overall 169 days of additional time.

Looking each of the time extension justification separately we have:-

- 1) The time extension justification due to **the waterline on the site** looks appropriate, as the contractor had been asking the PE to remove utility lines with letters written in different times such as on the date of 22/05/08 ref No 005/01/08 and on the date of 16/06/2008 ref. No 005/09/2008 and according to the work permit for site clearance format. Finally, the consultant gave the go ahead for site clearance on 11/03/16.
- 2) The time extension justification due to **stoppage caused by client's order for design change** may also be appropriate for some days as the documents suggest that the client had asked for change.

But the consultant gave solution to the PE's request by the letter written on 22/03/2016 ref. MHE/253/16 addressed to the contractor, mentioning PE's source letter. (Dated on 08/07/08 Ref. No. WU-CPD/029/08).

Thus According to the above documents there should only be the approval of 6 days of time extension (from 17/03/2016-30/03/2016) not 12 days.

- 3) Time extension justification for variation order No.1

The time extension justification for this case is not clear. Variation number one, according to the supporting document for justification, is the cause of the necessity of retaining wall based on the topography of the site.

However when we look in to the variation items one by one, there is at least one item that, according to letter dated 11/04/2016 ref No MHE/DESSIE/267/16, is about replacing an item in

the contract with a new item. Thus for the sake of completeness, if there is an omitted item, no matter how small it is, the total amount for variation should decrease as the omitted item's price should be deducted from the total amount of the variation which means the number of days that are required to execute the job should also reduce to some extent. However, the Variation order did not include the omitted item.

4) Time extension justification due to “adverse weather condition”

According to the time extension approval document, the reason for the approval of the time extension for the fourth item (adverse weather condition) is rainy days supported by data from Ethiopian metrological agency. The consultant used metrological data to show that 161 days were rainy and time extension request for rainy days is appropriate. However, the contract agreement shows the contract duration is in calendar days not in sunny days. Neither the agreement nor the general condition of contract show time extension should be allowed for rainy days. The general condition of contract article 44, which states Compensation Events, does not include such cases. It is well known that rainy seasons are expected and are predictable in a calendar year. Thus, the AP believes that there was no condition in the contract, which allows or supports the consultant/engineer to grant time extension for rainy days.

The other thing is, it might not be fair to consider full day as rainy day, as if nothing had been executed on that day. It is not shown if the consultant had considered these conditions.

Furthermore, even if there was an item in the contract, which allows the consideration of time extension for rainy days, the contractor's program should also be checked to have an idea if and by how much rain had an effect on the particular job that the contractor planned to do on those days. It is also necessary to check if the contractor did not do any work on those days and if there were executed works during those days, then the time spent for those jobs should be deducted from the time extension request.

The case of the process of approval of the time extension

As mentioned before according to the consultant's document, the contractor requested for time extension on 19/12/2017 with a letter reference number H001/0111/2017. However, the consultant had not reached on any decision up to the end of contract completion date. It is not clear why the consultant/engineer took such a long time to approve or disapprove the delay justification request.

Furthermore, there seems to be no program or at least no updated program. Every time there is a request for such type of extension of time, it should be counter checked with the program if there is any work affected in order to reach to the proper decision.

As mentioned in the General condition of contract item 28.2

“The Engineer shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Engineer for a decision upon the effect of a Compensation Event or

Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.”

Furthermore, the contractor should have also submitted the request for time extension way earlier than even the time mentioned above because according to the special condition of contract the contractor should give early warning of any delay.

Variation order number one got final approval on 19/08/2016 and the second variation got approval on 20/12/2016 and the rainy seasons had ended way back.

According to the condition of contract, the contractor should present for any time request in short time of any change or problem occurred.

“If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.”

According to the special condition of contract clause 27.3,

“the period between program update is 30 days.” obviously by including any justified delays the contractor should have submitted updated programs every 30 days. These programs should be about the whole project so it can show the effect on the progress of the whole project.

According to the condition of contract clause 27.2,

“An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.”

Because of these conditions, especially by the general conditions of contract item 28.2 one could argue that the request for time extension was obsolete as it was presented to the consultant after the cause of delay have long passed.

One can also conclude that, without an up to date program, The PE and the consultant/engineer were not following the progress of the project effectively, as a program, which does not include the actual conditions such as variation and extension of time, will not show whether the project is really progressing or lagging behind.

Furthermore, the consultant did not decide on the contractor’s request for time extension even after the date of the time of completion had elapsed, which according to the contract, had been exceeded. By the time the AP started collecting data for preparing this report, this project should have been complete, but According to the consultant’s March / 2018 report, the project was only 67.5 % complete.

On the time of the preparation for this report, the consultant had approved the time extension request and submitted the document to the PE for re-approval.

If, According to the consultant's March /2018 project report we take the amount of the remaining work, i.e. 32.5%, and calculate the approximate time required to complete the remaining job, we get 237 days. The amount of approved extension time is 169. Hence, this shows that even assuming the granted extension time is appropriate; the contractor is behind the schedule. However, there is no evidence in the reports that shows if the contractor is behind the program due to its own fault.

Checking the consultant's/Engineer's March /2018 reports one can understand that the report does not even show how much the contractor had planned to physically execute the total project up to the reporting time. The report did not show if the project was, progressing according to the total planned physical program or not .i.e. progress versus planned. This comparison shows if the contractor is executing the work according to the plan. If the project had not progressed according to the program then the consultant should check for the cause and should take action and inform the PE the same. However, in this case, one can clearly see that The PE did not know, from the report it received from the consultant, at what extent the contractor had been executing the project compared to the total physical program.

Furthermore, the report does not show the reality such as the expected completion date which according to the contract had been exceeded and as there was no time extension approved until the issuance of the approved time extension.

It is obvious that on the reporting month of March /2018, none of the contracting parties have a clue when the project completion date was as the delay justification process is incomplete.

Thus, the PE should urge the consultant/engineer.

- to process any request for time extension on time
- To ask the contractor's updated approved programs according to the special condition of contract and approve it promptly.
- To Follow and check if, the contractor is executing the work according to the program.
- To include data clearly showing the progress of the project with respect to the total program in every monthly report.

6.2.3.3. ISSUES RELATED TO CONTRACT SCOPE

As indicted previously the scope of the construction contract of this project was the construction and completion of the **administrative building**.

However, the PE after the commencement of the construction contract, ordered the consultant/Engineer to order the contractor to include the maintenance work of **four G+1** existing classrooms and three G+0 existing Lecture halls. However, the variation order finally approved by the PE for this work changed to maintenance work of **four G+1** existing classrooms and **one G+3 classroom**.

Thus, accordingly the final scope of the contract changed into construction and completion of the **administrative building and** maintenance work of **four G+1** existing classrooms and **one G+3 classroom**.

As indicated earlier The PE had tried to justify the reason to give this variation at the time by indicating the urgency to maintain classrooms and lecture halls before the starting of the next academic year, as there was a short time before the beginning of the next season to float tender following the normal procurement procedure.

Even though the concern and urgency of the PE is understandable considering the need to provide the university community with classrooms and lecture halls when the next academic year begins and the extent and number of projects being executed in the university, such kind of variations could have been avoided by following the Preparation of procurement plan.

Nevertheless, what the AP could not understand is why and how the PE's order to maintain **four G+1** existing classrooms and three G+0 is changed to maintenance of **four G+1** existing classrooms and **one G+3 classroom**.

7. CONDITIONS OF SAFETY PROVISIONS

The AP believes that it would be better if there can be some safety measure taken in around the project site So that people can be protected from unexpected fatalities.

The fatal four cause the most common fatalities: falls, being struck by an object, electrocutions, and being caught in between two objects. Therefore, it would be good if some steps be taken as the site is situated where many people move around it. One major incident involving the students living in the campus or any other person who entered the site may cause a major problem.

Therefore, one of the major steps should be delineation and fencing of the external border of the site and clearly marking it in order to keep away-unauthorized persons and to protect the public from site hazards. The others are as follows:-

- Safe means of access to and egress from all workplaces.
- Signs and signals that convey the required cautionary messages.
- The building should be covered so that dust and other material will not spread in to the surrounding.
- Use of Personal Protective Clothing and Protective Equipment, Protective Clothing
- Persons working at elevated workplaces and other work places more than 2 meters in height should be protected by means of safety belts or other equivalent protection devices;

8. CONCLUSION AND RECOMMENDATION

8.1. Conclusion

Findings of the assurance process

- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the design service contract directly to a consultant without conducting open bidding procurement procedure.
- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the supervision and contract administration contract directly to a consultant without conducting open bidding procurement procedure.
- The PE in spite of the proclamation for procurement is not maintaining records of procurements listed in article 23 of the proclamation and other pertinent documents.
- The PE did not use the proper standard bidding document (SDB) for procurement of works.
- According to the available documents, the PE did not check if bidders are registered suppliers. The standard instruction To Bidders section 4.6 stipulates that “To participate in this public procurement process, being registered in the suppliers list is a prerequisite (mandatory for domestic Bidders only)”.
- The PE did not use Bid opening manual and other manuals i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid process.
- Long period of time (105 days from bid opening day) between the opening date and the award date of the contract to the successful bidder.
- Lack of Proper and complete design work especially the building design with respect to the condition and topography of the site during the design stage created a variation order for additional retaining structure, which incurred the PE unexpected additional cost.
- Lack of Proper and complete design work and Site investigation or incorrect site investigation in determining the soil property of the site, has incurred the PE more cost.

- The PE has changed the scope of the work contract by ordering the consultant to order the contractor to execute the **maintenance work of four G+1** existing classrooms and three G+0 existing Lecture halls, which are found in the university.

Furthermore even though in the beginning the buildings that were mentioned to be maintained were four G+1 existing classrooms and three G+0 existing Lecture halls. However, the final approved variation document shows the buildings that are to be maintained are four G+1 classrooms and one G+3 classroom. The AP could not find any document that shows what caused the change of the three G+0 existing Lecture halls to one G+3 classroom.

According to the Public Procurement Directive

“Any Public Body and other entities accountable to such Public Body shall be required to prepare a procurement plan supported by action plan enabling them to execute in due time, the procurement necessary to implement their work program”

“To ensure economy and efficiency in the operation of the Public Body by discouraging piecemeal purchase.”

- The PE has granted time extension for conditions that were not, according to the agreement and condition of contract, compensable. That is the consultant granted time extension of 161 days for rainy days, which were not compensable.
- Unacceptable way of administering a construction contract which includes not having,
 - A baseline and Regularly updated and approved programs that, in addition to others, show the planned percentage of work that will be executed in each month so the PE can control the progress of the work by comparing planned versus executed. This also concerns the new program which might have been approved (according to the soft copy, which the AP got lately) during the preparation of this report as it does not show the planned percentage of work in each month. The absence of such complete program will deter the PE from claiming liquidated damage and may expose the PE for further unnecessary expenses such as price escalation, compensation, and supervision fee.
 - A report showing the progress of the project by comparing the overall, planned versus executed, which could have helped the PE control the project progress effectively.
 - A timely approved time extension requests, which might have helped the PE to evaluate the actual progress of the project, the extent and the cause of the delay of the completion.
 - Safety measures to avoid accidents specially delineate and fence the site to keep away of the external border of the site in order to keep away unauthorized persons and to protect the public from site hazards.

Furthermore, The PE shall make available the following Documents for further review:

- Environmental Impact assessment report
- Land and settlement impact assessment report
- Design and Supervision and contract administration agreements (full document with scope, duration, and cost), any change to the agreements, design reports and their completion time according to the agreement and the actual completion time, supporting documents to justify the direct assignment of the contracts.
- Payments issued for design and contract administration service.
- Section 2 and 3 of bid documents
- Document or print out showing if the bid announcement was released on the PPPA web site.
- Names and number of bidders who purchased the construction bid documents. (Not indicated on bid opening and bid evaluation documents).
- Engineering Cost Estimate (not indicted on bid opening and bid evaluation documents).
- Content of any complaint lodged on bid evaluation result. (Not indicated on bid opening and bid evaluation documents).
- Construction program (Schedule).The base line and any other revised ones up to the end of March 2018.
- Construction Payment documents
- Construction progress reports (detail reports) of the consultant for 3rd,6th ,9th,12th 18th months.
- accidents record (accident & death)

9. GLOSSARY

“Bid” means a stage in the procurement process extending from advertisement of or invitation to bid up to signing of contract.

"Bill of Quantities" means the document forming part of the Bid and containing an itemized breakdown of the works to be carried out in a unit price contract, indicating a quantity for each item and the corresponding unit price.

"Completion" means the fulfillment of a Contract.

"Contract Documents" means the documents listed in the **General Conditions of Contract**, including all attachments, appendices, and all documents incorporated by reference therein, and shall include any amendments thereto;

"Contractor" means a natural or juridical person under contract with a Public Body to supply works;

"General Conditions of Contract" means the general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of the Contract.

"In writing" shall be interpreted to include any document which is recorded in manuscript or typescript.

"Intended Completion Date" means is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Special Conditions of Contract. The Intended Completion Date may be revised only by the Engineer by issuing an extension of time or an acceleration order;

"Liquidated damages" means the compensation stated in the contract as being payable by Contractor to the Public Body for failure to perform the contract or part thereof within the periods under the contract, or as payable by Contractor to the Public Body for any specific breach identified in the contract;

"Proclamation" means the Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009.

"Special Conditions of Contract" means the conditions attached to the Contract Agreement, which shall govern the Contract and shall prevail over these General Conditions of Contract;

"Standard Bidding Document" means the document prepared by the Agency to serve as a point of reference in the preparation of bidding documents by Public Bodies.

"Works" mean all work associated with the construction, reconstruction, upgrading, demolition, repair, renovation of a building, road, or structure, as well as services

incidental to works, if the value of those services does not exceed that of works themselves;

10. Annex

Annex 1: Filled Infrastructure Data Standard (IDS)

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION

PHASE		ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	1	Date of disclosure	March /2018		
	2	Contract title	Construction of main administrative building		
	3	Location	Amhara region south wollo Zone Dessie town, Wollo university Dessie campus		
	4	Procuring entity	Wollo University		
	5	Source for further information			
	6	Date of procurement notice	21/08/2015 (15/12/2007)		
	7	Floating period of the procurement notice	38		
	8	Media used for procurement notice	Ethiopian Herald newspaper vol.L.XXI no 296		
	9	Method of Procurement	Open tender		
	10	Type of Procurement	National competitive Bid		
	11	Procurement Procedure	Open national tender procedure		
	12	Evaluation criteria	(Technical and financial evaluation) two envelopes		
	13	Type of contract & project delivery method	Admeasurements Contract		
	14	Type and Amount of bid security	Bank security/500,000		
	15	content of any complaint lodged			
	16	Engineer's estimate			
	17	Date of bid opening	29/09/2015 (18/01/2008)		
	18	Number of bidders: Participated, rejected and declined to submit			
	19	Awarded firm/contracting firm	BerhanTobiaw Building Contractor		
	20	Date of contract award	12/1/2016 (03/05/2008)		
	21	Awarded price/contract price	66,372,582.00		

	22	Unit Contract price (price/km, price/Sq. meter)			
	23	Contract security type and amount	Insurance/ 6,637,258.2		
	24	Date of contract signing	21/01/2016 (12/05/2008)		
	25	Contract scope	the construction of the of Main Administration Building		
	26	Description of contract & Contract components	Main Administration Building		
	27	Contract Administration entity	MH Engineering PLC		
	28	Contract duration	730		
	29	Contract start date	26/01/2016 (13/05/2008)		
	30	Intended Completion date	03/02/2018 (26/05/2010)		

PHASE		CONTRACT INFORMATION	CONSTRUCTION CONTRACT	DESIGN CONTRACT	SUPERVISION CONTRACT
	1	Contract status (on going (% progress), terminated , completed)	67.50%		
	2	Completion date (revised, projected, Actual)	03/02/2018 (26/05/2010)		

CONTRACT IMPLEMENTATION	3	Changes to contract duration with reason	169		
	4	Amount of liquidated damage If applied (penalty for delay)			
	5	Contract price (revised, projected, Actual)	66,372,582.00		
	6	Changes to contract price with reason	71,658,177.35		
	7	Scope to completion	Construction of main administrative building		
	8	Changes to contract scope with reason	Maintenance of four G+1 class rooms and Quartz paint work of G+3 CR block		
	9	Total payment effected			
	10	Warranty type and description			
	11	Details of termination if applied			
	12	Safety Measures (accident & death)			
	13	Quality of work (very good, good, inferior, impossible to comment)			
	14	Disputed issues & award details			

PROJECT PHASE		PROJECT INFORMATION	
PRELIMINARY PROJECT INFORMATION	1	Date of disclosure	March /2018
	2	Project owner	Wollo University
	3	Project name	Construction of Wollo university main administrative building

	4	Sector, Subsector	
	5	Source for further information	
	6	Project Location	Amhara region south wollo Zone Dessietown, Wollo university Dessie campus
	7	Purpose	Office
	8	Project description	
	9	Original Project Scope	The construction of the of Main Administration Building
	10	Project components	Design service /supervision and contract Administration /Works
	11	Environmental Impact	
	12	Land and settlement impact	
	13	Estimated budget of the project with breakdown of components	
	14	Funding sources	The government of the federal republic of Ethiopia
	15	Project budget approval date	
	16	Project start date (planed, actual)	
	17	Planed / Original duration for completing the whole project	
	18	Planed / Original cost of the project	
PROJECT PHASE		PROJECT INFORMATION	DESCRIPTION
	19	Cost of the project at completion.	
	20	Changes of project cost with reason	

PROJECT INFORMATION AT COMPLETION	21	Project completion date (Revised, projected, actual)	
	22	Actual duration for completing the whole project	
	23	Changes of project duration with reason	
	24	Project Scope at completion	
	25	changes of project scope with reason	
	26	Reference to documents for disclosure upon request (reactive disclosure)	



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information of Wollo University

G+3 CLASSROOM BUILDING PROJECT

Reported by : Mesfin Shiferaw

June 2018

Addis Ababa, Ethiopia

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LIST OF ACRONYMS / ABBREVIATIONS

AP	- Assurance Professional
CoST	- Construction Sector Transparency Initiative
EIA	- Environmental Impact Assessment
ETB	- Ethiopian Birr
FDRE	- Federal Democratic Republic of Ethiopia
PPPAA	- The Public Procurement and Property Administration Agency
IDS	- Infrastructure Data Standard
ITB	- Instruction to Bidders
NMSGEC	- National Multi-Stakeholder Group Executive Committee
PE	- Procuring Entity
PLC	- Private Limited Company
SBD	- the standard bidding document
VAT	- Value Added Tax

1. EXECUTIVE SUMMARY

Construction Sector Transparency Initiative (CoST) is a multi-stake holder initiative, which aims enhance transparency of Procuring Entities (PE) and construction companies. Core to this aim is disclosing construction project information into the public domain. The CoST Disclosure Process requires procuring entities to ensure that information about the purpose, scope, costs, and execution of publicly financed construction projects is open and accessible to the public, and that it is disclosed in a timely manner.

The objective of the project level assurance process is to collect project information, verify the accuracy and completeness of the information collected, Analyze the information obtained and highlight findings and causes of concerns in plain language in order to enable stakeholders to make informed judgment about the cost, time of delivery, and quality of the built infrastructure.

Cost Ethiopia, which is directed by CoST Ethiopia's Multi-Stakeholder Group (MSG) Executive Committee, which comprises representatives of the government, the private sector and civil society.

The NMSG-EC used the following criteria for project selection.

A project from the sector of building and related facilities of Universities and an ongoing project with a degree of completion close to 80 percent.

The assurance professional has taken responsibility of executing the above mentioned tasks.

One of the projects is an Administration building project of Wollo University. Wollo University is building a G+3 Class Room Building in the premises of the university located in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, and Dessie Campus.

The Design and Contract administration service contract of the project was assigned, among other projects of the university, directly to MH Engineering P.L.C.-consulting Engineers and & architects through a supplementary agreement of an existing main agreement between the two parties. The main agreement, was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual universities and other supplementary agreements followed since then.

The procurement of the works contract was conducted through an open national competitive bidding process. Solomon Abiye Building Contractor signed the agreement or the works contract for contract amount of ETB 16,561,837.40 including 15% VAT and duration of 365 calendar days.

The only contract included in detail, in this assurance report is the works contract. This is because the other contracts the design and the supervision contracts are out of the scope of this report, as there are no enough

documents presented or/and they include other projects that the PE (procuring entity) is executing simultaneously.

The disclosed information of the project represents the status of the project as of March /2018.

Mesfin Shiferawis the AP (Assurance Professional) of this report.

➤ Summary of findings and causes of concerns

General

Record keeping, both in print or electronic format, is generally required for protecting contractual rights and is useful for post-contract review so that one can learn from good and bad experiences, take measures to improve procurement and implementation procedures and so on. One cannot over emphasize the importance of establishing a documentation system as it enables the PE to maintain a complete simultaneous, chronological, and provable record of what happened on a particular time. What problems were there and what their impact were upon progress, program and costs of contracts.

The proclamation stipulates that all documents regarding a particular procurement case shall be kept for future reference and monitoring and control purposes for a period of ten (10) years

Consequently, it is strongly advised that it might be good for The PE to improve its documentation system or even better to establishing a documentation system to maintain documents properly.

Design Service contract, Supervision, and contract administration contract.

- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the design service contract directly to a consultant without conducting open bidding procurement procedure.
- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the supervision and contract administration contract directly to a consultant without conducting open bidding procurement procedure.

As there are no documents presented for design contract except a single page of the contract agreement, this report could not give any further comments.

As the supervision contract, include other projects in the university it is out of the scope of this report to give any further comments

Works (Construction) contract

Procurement information

- Not using the updated standard bidding document for that particular time, i.e. the standard bidding document (SDB) for procurement of works (August 2011).
- No Document presented showing that the PE had checked if bidders are registered suppliers.
- Long period of time (210 days from bid opening day) between the opening date and the award date of the contract to the successful bidder.
- There is no document or print out presented that shows the bid announcement was released on the PPPA website.
- Use Bid opening manual and other manuals i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid process.

Contract information

- Lack of Proper and complete design work especially the building design with respect to the condition and topography of the site during the design stage created a variation order for additional retaining structure, which incurred the PE unexpected additional cost.
- Lack of completeness, with respect to document preparation of BoQ and takeoff, incurred the PE unexpected additional cost.
- The PE has granted time extension for conditions that were not, according to the agreement and condition of contract, compensable. That is the consultant granted time extension of 90 days for rainy days, which were not compensable.
- Furthermore, it is not clear if there was another time extension approved for the extended time between August 19 /2016 and November 14 /2016 (provisional acceptance day), as there is no document presented.
- The final acceptance of this project should have been conducted on November 13/2017 but it was not done up to march /2018

2. Introduction

This assurance report is concerning the publication of the infrastructure data standard (IDS) of the aforementioned project as outlined in the disclosure standard of CoST- Ethiopia, it is also concerning the process of verifying the accuracy and completeness of the collected information and analyzing the information to highlight issues of potential concern. The disclosed information of the project represents the status of the project as of March /2018.

CoST – Ethiopia support procuring entities in a bid to boost the disclosure process to be sustainable, delivered rounds of training programs followed by Mentorship and Follow-up of the Disclosure Process to PE professionals on the basics of CoST and Application of the agencies website for the disclosure of Infrastructure Data Standard by the respective PE.

Following the above stated training, mentorship and follow up services, the PEs were expected to disclose the IDS of two (2) projects using the template posted on the website of FPPAA. However, even after a year and repeated insistence some PEs could not disclose the information at all. Thus, CoST- Ethiopia employed assuring professionals to undertake the reactive disclosure and assurance process.

The main objective of this assurance process is to inquire and collect information reactively from the PE in order to insure the publication of the infrastructure Data Standards as outlined in the disclosure Standard of CoST-Ethiopia. It is also to verify the accuracy and competence of the information collected, and to analyze and interpret the information obtained so it will be in a form that can easily be understood by to the public and stakeholders in order to enable them to make informed judgment.

Information items to be disclosed through this report were to include the collection and review of the procurement procedures and the contract implementation for design, supervision, and works contract. However, because the design contract have no document presented, and the supervision, and the contract administration contracts included other projects in the university the study had to focus on the works contract only.

The report describes major information about the construction contract, which includes information concerning the procurement and implementation stages of the project. Under the procurement information item, information that will help stakeholders and the public in general to have an over view of the process is presented. The report will also analyze the compliance and efficiency of the procurement stage of the project and will present it in a clearly intelligible way. Under the contract implementation item, the report also analyzes information items by going through issues related to contract price, contract duration and contract scope. In addition, it analyzes cause of changes to the project with respect to the standard and to the contract agreement so that stakeholders and the public will get an idea and understanding of the issues and their consequences.

The report has also tried to analyze the project with respect to conditions of safety provisions provided in construction site.

Finally, recommendations are presented based on the main findings, causes of concerns and issues observed during the analysis, which will hopefully help the PE to take measures that can improve the execution of the project effectively.

In this assurance process the first activity that the AP did was, using the introduction letter from CoST Ethiopia contacted the president and the assigned staff of the PE and, with the approval of the PE, the consultant to get available documents concerning the project.

Then using the available documents, the AP has tried to analyze the information obtained and to produce a report that is intelligible to non-specialist, highlighting the main findings and causes of concern that the analyzed information reveals.

The AP has also included in this report his professional impressions about different points by comparing events and decisions with the procurement laws of the country, the contract conditions of the contract and supporting documents.

The main challenge encountered in this assurance process was getting the necessary documents and getting them in time. Some of the documents and information were relatively easier to get than other remaining documents as it took long time and repeated effort. However, there are some documents, which are not available at all.

Unavailable or incomplete documents for this report include the following

- Environmental Impact assessment report.
- Land and settlement impact assessment report.
- Design reports and their completion time according to the agreement and the actual completion time.
- Document or print out showing if the bid announcement was released on the PPPA web site.
- Names and number of bidders who purchased the construction bid documents. (Not indicated on bid opening and bid evaluation documents).
- Engineering Cost Estimate (not indicated on bid opening and bid evaluation documents).
- Content of any complaint lodged on bid evaluation result. (Not indicated on bid opening and bid evaluation documents).
- accidents record (accident & death)

3. Disclosure of project Information

Project over view

Wollo University conducted a procurement and contract implementation process to construct a classroom building with a budget allocated from the government of the federal democratic republic of Ethiopia.

The classroom building for Wollo University is a project of a G+3 building. It is located in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, Dessie Campus.

There is no document available that shows if Environmental, Land, and settlement impact assessment had been conducted for this project.

The project, among other projects in the university, is designed by MH-engineering PLC, according to the supplementary agreement signed with Wollo University. The supplementary agreement is part of the main agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to design the classroom building was signed between the PE and MH-engineering PLC. Nevertheless, there are no documents presented that show information concerning the detail programs of agreement, design reports, payment effected, duration of the project.

The agreement for supervision and contract administration contract includes other projects, which the university is conducting at the same time.

The PE conducted an open bid procurement process to select Solomon Abiye Building Contractor for the construction contract. The contract construction cost was ETB 16,561,837.40 including VAT, the contractor took possession of the site on 29/04/15 (21/08/07 E.C), to complete the whole of the Works, with duration of 365 Calendar Days according to the contract agreement, the construction was completed and Provisional acceptance was conducted on November 14/2016. The final acceptance had to be completed 365 calendar days after the provisional acceptance but was not complete until March / 2018.

Scope of the project

This project is a program to design, supervise, and administrate and to build G+3-class room building that will enable Wollo University to upgrade the teaching and learning process to better level, the building is situated in Wollo University Dessie campus.

Thus, three contracts had to be executed to bring this project into reality. These are:

1. The service contract which is a contract for design and bid document preparation.
2. The service contract which is a contract for the supervision and contract administration of the works (construction) contract
3. The Work contract which is a contract for the construction of Works contract.

There is no document available that shows if Environmental, Land, and settlement impact assessment had been conducted for this project.

As there is no document presented by the PE for the environmental impact assessment study, one cannot give comments about the socio economic benefit and the undesired impacts of the project.

Based on the information from the PE's procurement document the project is funded by the government of the federal democratic republic of Ethiopia. The total project cost is very hard to calculate as the cost for, supervision, and contract administrations are not known because the supervision service contract includes other projects and the price for the services is not separately indicated. According to the design contract agreement, the project cost for the design service is ETB 74,406.15 including VAT. Construction contract agreement, the design the project cost for the construction service is ETB 16,561,837.40 including VAT.

Similarly, the total duration of the project, which includes the design, the supervision and contract administration and the construction service cannot be known because even though the design and supervision service contract are separate they both include other projects and the duration for these services are not indicated. According to the construction contract, the project duration for the construction service is 730 calendar days.

Overview of project identification

Project identification variable	Description
Project location	The project location is in Amhara Region, in South Wollo zone, Dessie Town, Wollo University, Dessie Campus
Project scope	Construction of G+3 Class Room Building.
Undesired impacts of the project	No such report was made available by the PE on any conducted study. Thus, It is very difficult to deduct that there is any undesirable impact by the project.
Source of funding	The project is fully funded by the government of the federal democratic republic of Ethiopia (the government).
Original project cost	Service contract for design– ETB 74,406.15 Service contract for the supervision and contract administration:- the contract includes other projects. Thus, it is difficult to separate the contract cost for this project. Work contract - ETB 16,561,837.40 Total –It would have been good if one can determine the total project cost

	had the separate amount for the design and supervision and contract administration known.
Original project duration	There is no document presented which shows the length of duration of the design Service contract. There is no document presented which shows the length of duration of the design Service contract but one can understand that the duration is equal to the work duration . The contract duration according to the work contract is 730 calendar days.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN CONTRACT.

4.1. DISCLOSURE OF PROCUREMENT INFORMATION

4.1.1.OVERVIEW OF THE PROCUREMENT PROCESS

The contract for the design work was executed by MH-engineering PLC-consulting Engineers and & architects.

According to the available document, the university is executing different projects simultaneously. The project, among other projects in the university, is designed by MH-engineering PLC, according to the supplementary agreement signed with Wollo University.

The supplementary agreement is part of the main agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to design the G+3 class Room building was signed on November 25/2013. Except the single page of the agreement there are no documents presented that show information concerning the scope of the contract, detail programs of agreement, preliminary and final design reports, payments and duration of the project.

For this service contract, the design agreement document (single page) is the only document that is presented by the PE. The contact document only shows there is an agreement between the two parties. The duration of the contract, the services included in the agreement, the total payment effected, and the actual total duration of the preliminary and final design documents and so on are not presented for reference.

The total contract price for the design of the G+3 Classroom project agreement is ETB 74,406.15 including 15% VAT.

Thus, according to the documents presented one can deduce that the contract is awarded directly to the consultant in spite of the proclamation for procurement there was no procurement process conducted to select a consultant.

Article 25/1 of The Proclamation stipulates that “Except as otherwise provided in the Proclamation and this Directive, public bodies shall use open bidding as the preferred procedure of procurement.”

4.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

The complete availability of all relevant documents of the procurement process will determine the completeness of the disclosed procurement information. In the absence of major documents, which might have shown the justification, why the design service had to be assigned directly to the consultant. It is very hard to conclude that the disclosure of the procurement information is complete.

4.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned earlier. Thus in this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

4.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH THE RULES OF ADVERTISEMENT

As it is previously mentioned the PE has presumably decided to award the Design service contract directly to MH consult PLC without conducting any procurement process as a supplementary agreement of an existing agreement.

Thus, one can conclude that the procurement process of advertisement is not in compliance with regulations of PPPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services. Version 1, July 2011.

4.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

As the PE had presumably decided to award, the service contract directly to MH Engineering PLC (the consultant) and thus, in the absence of procurement procedure for the procurement of the design contract according to the proclamation of the procurement one cannot decide if the process is inefficient.

4.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The proclamation of procurement of the Federal Republic of Ethiopia, stipulates that the PE have to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be fair. In this case for the fact that there was no bid process conducted to procure the design service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was fair.

4.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be transparent. In this case for the fact that there was no bid process conducted to procure the design service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was transparent.

4.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The procurement directive stipulates “A Public Body using a method of procurement other than open bidding, pursuant to article 33/3 of the Proclamation. Shall record a statement of the grounds and circumstances on which it relied to justify the use of that method.”

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be objective. In this case for the fact that there was no bid process conducted to procure the design service. as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of sufficient

information as there was no adequate document presented on the whole process, it is very hard to conclude that the process was objective.

4.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The procurement proclamation of the Federal Republic of Ethiopia and the Directive, states that any public procurement must ensure economy. However, as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) as a supplementary agreement, there was no bid process conducted to procure design service. Furthermore, the document so far presented does not show if PE had made any effort to verify that the service price is competitive.

4.2. DISCLOSURE OF CONTRACT INFORMATION

4.2.1. OVERVIEW OF THE CONTRACT

According to the single page document presented by the PE, The Contract for the design of the G+3 Class Room building was signed on June 11/2015. It is a supplementary agreement of the previously existing main agreement which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities.

The contract design fee is ETB 74,406.15 including 15% VAT. The document does not show the scope of the contract, the duration of the contract and so on.

Furthermore there are no documents presented which shows other information such as when the preliminary and final design were completed, the payments effected and the preliminary and final design reports submitted and so on.

4.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

4.2.2.1. COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

In the absence of major documents, which might have shown the scope of the contract, the contract duration, and the amount of payment made, when and if the preliminary and final design were completed, the payments effected and the preliminary and final design reports submitted and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

4.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

4.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1. ISSUES RELATED TO THE CONTRACT PRICE

As there are, no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects that are out of the scope of this report. one cannot give analysis about issues related to the price.

4.2.3.2. ISSUES RELATED TO THE CONTRACT DURATION.

As there are, no documents presented by the PE, which show the duration of the contract, if there had been a change of duration compared to the contract duration, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the duration.

4.2.3.3. ISSUES RELATED TO THE CONTRACT SCOPE

As there are, no documents presented by the PE, which show the scope of contract, if there had been a change of scope compared to the contract price, and as the contract includes other projects, which are out of the scope of this report one cannot give comments about issues related to the scope.

5. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONSTRUCTION SUPERVISION & CONTRACT ADMINISTRATION SERVICE CONTRACT.

5.1. DISCLOSURE OF PROCUREMENT INFORMATION

5.1.1. OVERVIEW OF THE PROCUREMENT PROCESS

The construction supervision & contract administration service contract is being executed by MH-engineering PLC-consulting Engineers and & architects.

According to the available documents, the university is executing different projects simultaneously. This project, among other projects in the university, is being supervised by MH-engineering PLC, according to the supplementary agreement signed with Wollo University.

The supplementary agreement is part of the main agreement, which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities, which were being built in the whole country. The main agreement was then transferred to the individual university and other supplementary agreements, for additional works have continued since then.

The agreement to construction supervision & contract administration service of the **G+3 Class Room** building includes many other projects in the university. In addition, there are no enough documents presented that show information concerning the first and other supervision agreement for the project, The scope of the contract agreement, payment effected for the work and so on.

For this service contract, the construction supervision & contract administration agreement document is the only document that is presented by the PE. The contact document only shows there is an agreement between the two parties. Documents for, the total payment effected, and so on are not presented for reference.

Thus, from the available documents one can deduce that the contract is awarded directly to the consultant in spite of the proclamation for procurement. Article 25/1 of The Proclamation stipulates that “Except as otherwise provided in the Proclamation and this Directive, public bodies shall use open bidding as the preferred procedure of procurement.”

5.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

In the absence of major documents which might have shown the justification why the construction supervision & contract administration service had to be assigned directly to MH Engineering PLC (consultant), the amount of payment made, if the service was completed in the contract duration, if there is any change of price, duration and scope, and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

5.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The accuracy of the disclosed information is dependent on the availability of all and original documents so that one can compare or check the accuracy of the information. In the absence of major documents of the service contract, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

5.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH THE RULES OF ADVERTISEMENT

As it was previously mentioned, the PE has presumably decided to award the construction supervision & contract administration service contract directly to MH consult PLC without conducting any procurement process as a supplementary agreement of an existing agreement. The agreement includes many other projects which the PE is conducting in parallel.

Thus, one can conclude that the procurement process of advertisement is not in compliance with regulations of PPPA STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services. Version 1, July 2011.

5.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

As the PE had presumably decided to award, the service contract directly to MH Engineering PLC (the consultant) and thus, in the absence of procurement procedure for the procurement of the design contract according to the proclamation of the procurement one cannot decide if the process is inefficient.

5.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

The procurement proclamation and the Public Procurement Manual stipulate that, there should be a procurement process that is conducted according to the SBD for Procurement, to select and award a service provider. In deciding to award the supervision and contract administration service directly to MH consult PLC, the PE had ruled out the fairness of the procurement rules on participation.

5.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will be transparent.

In this case for the fact that there was no bid process conducted to procure the service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of any information as there is no enough document presented on the whole process, it is very hard to conclude that the process was transparent.

5.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

The procurement directive stipulates “A Public Body using a method of procurement other than open bidding, pursuant to article 33/3 of the Proclamation. Shall record a statement of the grounds and circumstances on which it relied to justify the use of that method.”

According to the proclamation of procurement of the Federal Republic of Ethiopia, it is required by the PE to conduct a procurement process using the STANDARD BIDDING DOCUMENT (SBD) for Procurement of Consultancy Services to select a Consultancy Services so the process will have award criteria, which is objective.

In this case for the fact that there was no bid process conducted to procure the supervision and contract administration service. As the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) and in the absence of sufficient information as there was no adequate document presented on the whole process, it is very hard to conclude that the process was objective.

5.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The procurement proclamation of the Federal Republic of Ethiopia and the Directive, states that any public procurement must ensure economy. However, as the PE had presumably decided to award the service contract directly to MH Engineering PLC (the consultant) as a supplementary agreement, there was no bid process conducted to procure the **construction supervision & contract administration service**. Furthermore, the document so far presented does not show if PE had made any effort to verify that the service price is competitive.

5.2. DISCLOSURE OF CONTRACT INFORMATION

5.2.1. OVERVIEW OF THE CONTRACT

According to the two pages of documents presented by the PE, The Contract for the supervision and contract administration service of the administration building includes many other buildings of the university, which are out of the scope of this report. The contract which was signed on September 1/2017 is a supplementary agreement of the previously existing main agreement which was originally signed between GTZ-IS representing the Ministry of Education and the MH-engineering PLC-consulting Engineers and & architects for the supervision of the building works of the 13 universities and many other supplementary agreements.

The contract supervision and contract administration service fee including the other projects (which are out of the scope of this study) is ETB 94,300.00/ month, including 15% VAT. The document show that the duration of the contract is between September 1, 2017 and June 30/2018.

Furthermore, there are no documents presented which shows other information such as scope and conditions of the agreement, payments affected and so on.

5.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

In the absence of major documents, which might have shown, when and if there is any change of scope, price, and duration of agreement, the payments effected so far and so on. It is very hard to conclude that the disclosure of the procurement information is complete.

5.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

5.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1. ISSUES RELATED TO THE CONTRACT PRICE

As there are no documents presented by the PE, which show the payment effected, if there had been a change of price compared to the contract price, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the price.

5.2.3.2. ISSUES RELATED TO THE CONTRACT DURATION

As there are, no documents presented by the PE, which show the payment effected, if there had been a change of duration compared to the contract duration, and as the contract includes other projects, which are out of the scope of this report, one cannot give analysis about issues related to the duration.

5.2.3.3. ISSUES RELATED TO THE CONTRACT SCOPE

As there are no documents presented by the PE, which show the payment effected, if there had been a change of scope compared to the contract scope, and as the contract includes other projects which are out of the scope of this report one cannot give analysis about issues related to the scope

6. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR WORKS (CONSTRUCTION) CONTRACT.

6.1. DISCLOSURE OF PROCUREMENT INFORMATION

6.1.1. OVERVIEW OF THE PROCUREMENT PROCESS

The procurement process of this project was conducted according to the open national tendering procedure contained in the public procurement procedure of the federal Government of Ethiopia.

The announcement to invite bidders for the construction of Wollo University G+3 Class Room building was advertised (issued) on Addis Zemen 73rd year No 346 newspaper on 16/12/06 E.C. the opening day was 05/01/2007 E.C. with other projects that the PE planned to execute. The evaluation process included technical and financial evaluation stages.

According to the minute of tender opening document the bid was opened on the same opening day specified on the newspaper, during the opening process, documents of nine bidders had been opened. There was no

mention of bidders rejected on the opening day. There is no document present showing the attendants who chose to watch the opening ceremony.

The technical evaluation was conducted and completed on 08/01/20014 (30/04/2007 E.C.) As mentioned on the evaluation and qualification criteria section (section 3) of the bid document the PE used a two stage procedure to evaluate the bidders. It states, “Bidders that score 70% and above are to be considered responsive and their financial proposal will be opened .”

Evaluation criteria according to the evaluation document attached to technical bid evaluation minutes.

No	criteria	Max Point
1	General Experience record	40
2	proposed construction methodology and schedule	8
3	proposed man power	20
4	proposed construction plant and equipment	15
5	Working Capital	17
	Total	100

According to the technical evaluation minute, three bidders were rejected due to incomplete documents, and thus six bidders passed to the technical evaluation stage. Finally, after technical evaluation three bidders were successful to pass to financial evaluation stage.

Technical Evaluation results (R responsive, NR none responsive)

N o	Bidders' Name	Point Score d (%)	R/ NR	Remark
1	Lusy Engineering	79		
2	Solomon Abiye Building contractor	76		
3	A.AM.B Building contractor	82		
4	man General contractor	39		
5	Semere Dessta Building contractor	67.5		
6	B. Tech Construction	43		
7	Getachew Athsibeha Building contractor			Rejete d
8	Neway Adem Building Contractor			Rejete d
9	Abenet Building Contractor			Rejete d

The financial evaluation was completed on 23/01/20015 (15/05/2007 E.C) by recommending the contract to the least bidder of the financial stage.

Financial Evaluation results

No	Bidders' name	Evaluated Offer/after arithmetic correction	remark
1	Lusy Engineering	17,877,597.23	3rd
2	Solomon Abiye Building contractor	16,561,837.39	1st
3	A.AM.B Building contractor	17,670,333.96	2nd

On 16/04/2015 (08/08/2007 E.C) a letter of acceptance was issued for the bidder who has been selected for the job. There is no document presented, which shows if the unsuccessful bidders were notified and if the PE had received any complaint. The contract for the construction work was signed on 22nd of April 2015.

The process of procurement, from bid opening up to the award took 203 days i.e.

- The technical evaluation took 115 days (from 05/01/2007 up to 30/04/2007 E.C)
- The financial evaluation took 15 days (from 30/04/2007 to 15/05/2007) and
- Finally awarding the project to the winner took 83 days (from 15/05/2007 to 08/08/2007).

6.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.2.1. COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION.

The completeness of the disclosed information is very much dependent on the documents which are made available by the PE. Even though important documents of the process such as bid invitation announcement, bidders who submitted their bid and technical and financial evaluation documents are made available. as mentioned previously some documents such the number of bidders which purchased the bid document, Engineering Cost Estimate and Content of any complaint lodged on bid evaluation result are not presented. Therefore, it would be very hard to conclude that the disclosed procurement information is complete.

6.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION.

The accuracy of the disclosed information is dependent on the availability of original documents so that one can compare or check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though there are some documents not presented the AP has succeeded in collecting most of the documents for the works contract and in comparing them for their accuracy. Thus, unless for those documents that were not presented the AP was able compare and insure the accuracy of the disclosed contract information.

6.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION.

6.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

As stated above the tender invitation to select a contractor for the construction of the G+3 class room Building was released through Addis Zemen 73rd year No 346 newspaper on 16/12/06 EC with other projects and was opened on 05/01/2007 EC after being on air for 25 days.

There is no document or print out presented that shows the bid announcement was released on the P.P.P.A web site.

General

The major point that the AP realized during checking the bid document is that the PE did not use the correct standard bidding document for that particular time, i.e. **The standard bidding document (SDB) for procurement of works (August 2011)**. The PE used the previously available document, which had been replaced with the previously mentioned document. However, the AP continued with the analysis process with the understanding that the assurance processes has to continue with the available document.

The Bid notice

The main information included in the bid announcement were date of opening, address for obtaining information, how and where to return the document, the amount and type of security (300,000.00) and the bid price. The PE also mentioned that the bid is an open bid process.

The PE had allowed the use of different types of bid security forms; this type of step encourages more bidders to participate in the process.

- It would have been good however to indicate or mention The Place of bid opening and the evaluation criteria on the bid notice as indicted in the user's guide for the preparation standard bidding document states. It is stated that bid notices should be designed to provide information that enables potential bidders to decide whether to participate in a bidding process or not.

“Apart from the essential items, the Invitation to Bid Notice should also indicate any important bid evaluation criteria (for example, the application of a margin of preference in bid evaluation) or qualification requirements (a minimum level of turnover or experience)”.

- The tender invitation was on air from 16/12/2006 EC to the opening day i.e. 28/09/2014 (05/01/2007 E.C)for a total of 25 days. The user guide indicates that, “In deciding the deadline for Bid Submission, the PE should allow Bidders sufficient time for obtaining and studying the Bidding Document, preparing complete and responsive bids and submitting the bids. Procuring Entities are required to comply with the minimum bidding periods given in the Directives.”Thus accordingly, This is compliant to the federal Public Procurement directive (June /2010) article 16.9 Setting of bid floating periods, which states

“Without prejudice to article 19.6.1 above of this directive, the floating period shouldn't be less than the minimum date stated in Annex 3 of this directive.”

Annex 3 states that “the minimum period for submission of bids shall be 21 days or non-complex and 30 days for complex type procurement process of work.”

- There is no document presented that shows of record of bidders to whom bidding document have been issued.

According to the user guide to bid preparation, “A record must be kept of the Bidders to whom Bidding Documents have been issued. Receipts must be issued for all fees paid”.

These documents would have helped the PE to know among other things the number of bidders who chose not to return the bid, so to inquire why they did not return the bid and avoid those cases which hinder bidders not to return bids that the PE issue. Furthermore, the PE will be able to identify those bidders, which try to participate in the process without buying the bid document from the PE.

The Bid opening process

- The Bid opening date and time was according to the opening day described on the newspaper. Bid opening date was on 28/09/2014 (05/01/2007 E.C) on 4:30 AM as stated on the notice. It is good to respect the opening dated and time.

- The PE had not rejected any bidder on the day of opening.
Which is good as according to the user guide to bid preparation The procuring proclamation states that: - "Do Not reject any bid at Bid Opening, except for late bids received after the date and time of bid submission deadline."
- There is no document presented which shows the attendants who chose to watch the opening ceremony and many other information about the opening day. Thus, it is advisable to use Bid opening manual i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid opening.
- During the opening process, the PE has consulted bidders' representatives, who chose to attend the opening ceremony, for any questions and comments on the bidding procedure. This type of consultation is good, as it provides the PE for relevant feedback on the process of procurement that the PE is following.
 - The only comment it gets was, the length of time it took bidders to get back their bid securities when they participate in bids that the PE was issuing.
 - However, as we will see later, this very bid process took very long time (7 months) to reach its award stage.

6.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS (TIME LINES)

The procurement process, from bid opening up to the award of contract took 213 days i.e.

- The technical evaluation was completed on 08/01/20014 (30/04/2007 EC) 115 days after bid opening.
- The financial evaluation was completed on 23/01/20015 (15/05/2007 EC) 130 days after bid opening 15 days after the completion of technical evaluation .
- The project was awarded to the winner on 16/04/2015 (08/08/2007 EC) which is 213 days from bid opening.

According to Public Procurement Manual (December 2011) APPENDIX 9: estimated procurement lead times, guidelines for determining completion timescales. The estimated lead-time for Tender Evaluation and Report Submission is 2 to 4 weeks, the estimated lead-time for Recommendation by Procurement Endorsing committee is 1 to 2 weeks, and the estimated lead-time for contract award is 1 to 2 weeks. If we take the maximum estimated durations, the total duration will be around 8 weeks or 60 days. The maximum bid validity period according to section 2 ITB 15.1 is 60 days. Furthermore, the procurement directive June 2010 article 16.15.4 states that

“Public bodies have to complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders however, where the Public Body realizes that for reasons beyond its control the price validity period expires before the completion of the bid proceeding, it shall request bidders to extend the validity period of their bid price.”

From the above condition, we can conclude that the time from the technical and financial evaluation process up to the award of the work contract took very long time. There is no document presented that shows if the PE had

requested bidders to extend the validity period of their bid price nor if the bidders agreed to the request. This is because the procurement directive, June 2010 states that the bidders should express in writing of their agreement and how long they are willing to extend the period of their bid security.

There is no document presented that show the reason why the procurement process (evaluation process) took such a long time. However, it is clear that it is good to avoid such type of delays as it will cast doubts on the bid evaluation process and cause unnecessary inconveniences on the bid participants.

6.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

In order to get sufficient time for obtaining and studying the Bidding Document complete and responsive bids and submitting the bids the PE should allow Bidders to have sufficient preparation time. In this case The tender invitation was on air from 16/12/2006 EC to the opening day i.e. 28/09/2014 (05/01/2007 EC) for a total of 25 days.

This is compliant to the federal Public Procurement directive (June /2010)article 16.9 Setting of bid floating periods, which states

“Without prejudice to article 19.6.1 above of this directive, the floating period shouldn’t be less than the minimum date stated in Annex 3 of this directive.”

Annex 3 states that “the minimum period for submission of bids shall be 21 days or non-complex and 30 days for complex type procurement process of work.”

However, other matters should also be taken into consideration, one of them is there is no document presented that shows of record of bidders to whom bidding document have been issued. According to the user guide to bid preparation, “A record must be kept of the Bidders to whom Bidding Documents have been issued. Receipts must be issued for all fees paid.”

These documents would have helped the PE to know among other things the number of bidders who chose not to return the bid, so to inquire why they did not return the bid and avoid those cases which hinder bidders not to return bids that the PE issue. Furthermore, the PE will be able to identify those bidders, which try to participate in the process without buying the bid document from the PE.

The other is as stated in the standard instruction To Bidders to participate in any public procurement, being registered in the suppliers list is a prerequisite. There is no document presented that show if the PE checked bid participants are registered in the suppliers list.

The standard instruction To Bidders section 4.6 stipulates that “To participate in this public procurement process, being registered in the suppliers list is a prerequisite (mandatory for domestic Bidders only)”.

6.1.3.4. TRANSPARENCY OF THE TENDER EVALUATION PROCESS

As stated in the procurement directive to participate in any public procurement, being registered in the suppliers list is a prerequisite. However, there is no document presented showing if the PE had checked if bidders are registered suppliers.

According to the technical and financial evaluation committees' minutes, the evaluation was conducted pursuant to the evaluation and qualification criteria specified in the Bidding Documents.

- which the user guide to bid preparation describes
 “Strictly apply only and all of the evaluation and qualification criteria specified in the Bidding Documents to determine the lowest evaluated bid and to make a recommendation for award of contract to the Tender Committee.”

However, there is no document presented that shows whether the technical evaluation result had been communicated in writing to all participating bidders at the same time or not, whether there have been complaint against the result of the evaluation.

The same thing is for the financial evaluation process. There is no document presented that shows whether the technical evaluation result had been communicated in writing to all participating bidders and whether there have been complaint against the result of the evaluation and if the date of the opening of the financial documents was respected.

As the procurement directive 45.2/states, “The Public Body shall communicate the result of the technical evaluation in writing to all bidders at the same time.”

Furthermore, the directive 45.2/d states, “A Public Body may open the envelopes containing the financial proposals after 5 working days from the date of notification of the result of the technical evaluation to the bidders.”

Furthermore, as the opening day of the bid was on 28/09/2014, there was a long period of time (210 days from bid opening day) between the opening date and the award date of the contract to the successful bidder, which was on 16/04/2015. As there is no document presented for this case also, it is not clear why the awarding process took such a long time.

Such type of inconsistency and delays will cast doubts on the Transparency of the bid evaluation process and will cause unnecessary inconveniences on the bid participants. It is to be recalled also that the bid participants raised the delay in result as a problem, during the bid-opening day.

6.1.3.5. Objectivity of the tender evaluation and the award criteria.

As stated previously, The PE did not use the correct standard bidding document for that particular time, i.e. **The standard bidding document (SDB) for procurement of works (August 2011)**. However, **the AP continued with the analysis process with the understanding that the assurance processes has to continue with the available document.**

According to the bid document section 3 (Evaluation and qualification criteria) the PE used a two-stage procedure for the evaluation of the bid. The technical evaluation being completed prior to any financial evaluation. Bidders should score above 70% out of 100 to pass to the next stage, which is the financial evaluation stage. In the financial stage, Bidder who passed to the financial stage and offered the least price will be the winner.

The PE distributed the technical qualification marking :-General experience 40%, proposed methodology 8%, proposed manpower 20%, proposed construction plant and equipment 15%, working capital 17%. These points were further divided and distributed into further subdivisions.

The PE has indicted the above Evaluation and Qualification Criteria (EQC), in detail, in the then section 3 of the bidding document. This is to ensure that the evaluation is fair and treats all Bidders in the same manner.

The AP believes, apart from not using the proper bidding document of August 2011, the evaluation and the award criteria is well prepared and well distributed to subdivisions. The points were given and distributed as far as possible, to measurable criteria, which helps to avoid subjective decisions.

6.1.3.6. Competitiveness of the award price

The minutes for the financial evaluation indicate that the evaluation committee had compared the awarded bid offer with the engineering estimate and had concluded that the offer is comparable. The indorsing committee also checked the price with other classroom building project of a similar plan that the PE was conducting. The committee found the new offer to be lesser than that of the existing classroom building.

In the event of the absence of the original engineering estimate document and as the number of bidders participated in the final financial evaluation process are three. It might be fair to take the average of their offer to compare the result with the award price to have an idea of the competitiveness of the offer.

Referring to the tender evaluation document for financial offer, the average value of the three bidders is 17,349,922.86. Considering the effort the PE put to check the offer with other projects and the engineer's estimate and comparing the average amount to the award price, which is Birr 16,561,837.39 we might conclude that the award price is competitive.

6.1.3.7. OVERVIEW OF CONTRACT MILESTONES : ORIGINAL SCOPE, TIME AND COST

In the absence of the document for project inception study as it is not presented, the AP cannot give an overview of the scope, time and cost milestones of the project.

6.2. DISCLOSURE OF CONTRACT INFORMATION

6.2.1. OVERVIEW OF THE CONTRACT

After the signing of the works contract with Solomon Abiye Building Contractor, with a contract amount of ETB 16,561,837.40 including VAT and contract duration of 365 Calendar Days. The contractor took the site on 29/04/15 (21/08/07 EC), and after completing the construction work provisionally transferred back the project to the PE on November 14 /2016.

The construction cost according to the agreement was 16,561,837.4 (sixteen million five hundred sixty one thousand eight hundred thirty seven and four cents). Which at the end of the construction rose to 19,645,292.83 (nineteen million six hundred forty five two hundred ninety two and 83 cents) due to:-

1. A variation caused by the addition of a retaining wall, which according to consultant was necessary, because the consultant realized as the construction commenced, that the soil due to the topography of the site has to be supported so it will not fall or slide on the building.
2. The other is due to, according to the consultant, “some work items in the bill of quantities were estimated lesser that the actually should have been”.

The increase due to the site condition could have been avoided if the design had considered the site design was made or readjusted according to actual site condition or surveying data.

The increase due to the exceeding in quantity, could have also been avoided had the quantities of project were taken off properly.

Pursuant to The special condition of contract, the project’s commencement date is 10 days after site hand over thus the commencement date is on 09/05/15 (01/09/07 EC).

There are Changes in contract duration also, which according to the consultant were caused by three different reasons. These are the issues related to boundary and site changes, late handover of new site and metrological condition. The additional time duration approved for the project was 120 days and the completion date was revised to August 19/2016.

6.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1. COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION.

The complete availability of all relevant documents of the works contract will determine the completeness of the disclosed contract information. Documents such as the agreement contract, variation orders, and time extension request approval documents and payment certificates are available. Thus the AP believes that the disclosed contract information is complete.

6.2.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from both the PE and The consulting firm MH Engineering PLC by indicting the required documents. Even though there are some documents not presented the AP has succeeded in collecting most of the documents for the works contract and in comparing them for their accuracy. Thus, unless for those documents that were not presented the AP was able compare and insure the accuracy of the disclosed contract information.

6.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1. ISSUES RELATED TO CONTRACT PRICE

- Changes as compared to the original contract price including VAT

Original contract price.	ETB 16,561,837.4
Variation order No one.	.ETB 517,067.15
Variation order No two.	ETB <u>2,951,346.98</u>
Total of variations ETB 3,468,414.13	

The Total change in contract price due to variation is 20.94 % of the project price

Variation order number 1.

According to the consultant, variation order No 1 Was necessary “Due to the topography causes the class room project requires a retaining wall.” (ref No. MHE/217/16 dated 14/01/2016).

Such kind of structures are needed when the site has slop and the soil had to be supported so it will not fall or slide on the building structure.

Variation order number 2.

According to the consultant, variation order No 2 was necessary as “some work items in the bill of quantities were estimated lesser than they actually should have been. Specially the sub structure works were considered and estimated for one block in the BoQ”

Finally, the PE has approved and accepted both variations.

Concerning variation order number one:-

- It is not clear why the consultant did not include the retaining structure during the design stage or right from the beginning.

The AP believes that any design work should include the “Site Investigation Reports “and surveying data of the plot where the building is supposed to rest on, So that one can determine the topography of the site among other things. The survey of the site will show the designer how he should place the building on the plot, with respect to the slope among other things and if there should be a retaining wall or not, where it should be placed and so on.

Accordingly, the consultant at the design stage should have included the retaining structure in the bid document. This might have avoided the extra cost and time caused by the variation order.

It might be better for the PE to always check the final design documents of a project for completeness and should also understand and inquire for every detail.

Concerning variation order number two “exceeding quantity”:-

This also is a case of incomplete design or document preparation (BoQ) and the PE not following up and checking the bid documents and design properly.

The consultant at the design stage has to prepare a complete design and the PE should check every document for completeness. This might have avoided the extra cost and time caused by the variation order.

6.2.3.2. ISSUES RELATED TO CONTRACT DURATION

Changes of contract duration as compared to the original contract duration

- The total contract duration of the project was 365 calendar days.
- Additional time duration approved by the consultant for the project is 120 days “calendar”
- The new duration of the project is 485 calendar days.

The contract duration of the project was 365 days and the site handover was conducted on 29/04/15 (21/08/07 EC). According to the contract agreement special condition of contract the project commenced on 09/05/15 (01/09/07).

According to the consultant’s document, the contractor requested for time extension on 07/04/2016 with a letter reference number SABCD/34/16. The consultant approved the request on May 23/2016 and with a letter reference number MHE/UCBP/391/16.

The consultant approved the time extension request according to the following detail:-

- | | |
|---|---------------|
| 1) Due to issues related to boundary and site changes | 40 days |
| 2) Late handover of new site | 12 days |
| 3) Metrological condition | 90 days |
| Where Overlapping days are Deducted | <u>0 days</u> |

Total additional time.....120days

Time extension justification due to “adverse weather condition”

According to the time extension approval document, the reasons for the time extension approval of the third item (metrological condition) are rainy days. The consultant used metrological data to show that 90 days were rainy and time extension request for rainy days is appropriate. However, the contract agreement shows the contract duration is in calendar days not in sunny days. Neither the agreement nor the general condition of contract show time extension should be allowed for rainy days. The general condition of contract article 44, which states Compensation Events, does not include such a case. It is well known that rainy seasons are expected and are predictable in a calendar year. **Thus, the AP believes that there was no condition in the contract which allows or supports the consultant/engineer to grant time extension for rainy days.**

The other thing is, it might not be fair to consider full day as rainy day, as if nothing had been executed on that day. It is not shown if the consultant had taken these conditions into consideration.

Furthermore, even if there was an item in the contract, which allows the consideration of time extension for rainy days, the contractor’s program should also be checked to have an idea if and by how much rain had an effect on the particular job that the contractor planned to do on those days. It is also necessary to check if the contractor did not do any work on those days and if there were executed works during those days, then the time spent for those jobs should be deducted from the time extension request.

There is another issue that can be disputed about the extension time. The consultant approved the request for time extension on May 23/2016 with a letter ref No MHE/UCBP/391/16. On the same later the consultant showed that the revised completion day will be August 19/2016. However, the project completion day was on November 14/2016. Thus, it is not clear if there was another time extension approved for the extended time between August 19/2016 and November 14/2016 as there is no document presented.

6.2.3.3. ISSUES RELATED TO CONTRACT SCOPE

The presented documents have revealed that no significant changes have been made with regard to the scope.

7. CONDITIONS OF SAFETY PROVISIONS

The AP believes that it would be better if there can be some safety measure taken in around the project site So that people can be protected from unexpected fatalities.

The most common fatalities are caused by the fatal four: falls, being struck by an object, electrocutions, and being caught in between two objects. Therefore, it would be good if some steps were taken as the site is situated where many people move around it. One major incident involving the students living in the campus or any other person who interred the site may cause a major problem.

Therefore, one of the major steps should be delineation and fencing of the external border of the site and clearly marking it in order to keep away-unauthorized persons and to protect the public from site hazards. The others are:-

- Safe means of access to and egress from all workplaces.
- Signs and signals that convey the required cautionary messages.
- The building should be covered so that dust and other material will not spread in to the surrounding.
- Use of Personal Protective Clothing and Protective Equipment, Protective Clothing
- Persons working at elevated workplaces and other work places more than 2 meters in height should be protected by means of safety belts or other equivalent protection devices;

8. CONCLUSION AND RECOMMENDATION TO THE MSG

8.1.Conclusion

8.1.1. Findings of the assurance process

- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the design service contract directly to a consultant without conducting open bidding procurement procedure.
- According to the available documents, the PE, in spite of the proclamation for procurement, awarded the supervision and contract administration contract directly to a consultant without conducting open bidding procurement procedure.
- The PE in spite of the proclamation for procurement is not maintaining records of procurements listed in article 23 of the proclamation and other pertinent documents.
- The procuring Entity should be advised to use up to date standard bidding document (SDB) for procurement of works, this can be done by checking the P.P.P.A web site or by consulting the P.P.P.A office.
- There is no Document presented that shows that the PE had checked if bidders are registered suppliers.
- The PE should use Bid opening manual and other manuals i.e. Manual for Minutes on the public opening of bids, that is available in the Public Procurement Manual, December 2011 during bid process.

- There is Long period of time (213 days from bid opening day) between the opening date and the award date of the contract to the successful bidder.
- Lack of Proper and complete design work especially the building design with respect to the condition and topography of the site during the design stage created a variation order for additional retaining structure, which incurred the PE unexpected additional cost. Furthermore,
- Lack of completeness, with respect to document preparation of BOQ and takeoff, incurred the PE unexpected additional cost.
- The PE has granted time extension for conditions that were not, according to the agreement and condition of contract, **compensable**. That is the consultant granted time extension of 90 days for rainy days, which were not compensable.
- Furthermore, it is not clear if there was another time extension approved for the extended time between August 19 /2016 and November 14 /2016 (provisional acceptance day), as there is no document presented.
- The Final acceptance should have been completed on November 14/2017 but there is no document presented that shows if the Final acceptance had been conducted.

Furthermore, The PE shall make available the following Documents for further review:

- Environmental Impact assessment report.
- Land and settlement impact assessment report.
- Design and Supervision and contract administration agreements (full document with scope, duration, and cost), any change to the agreements, design reports and their completion time according to the agreement and the actual completion time, supporting documents to justify the direct assignment of the contracts.
- Payments issued for design and contract administration service.
- Document or print out showing if the bid announcement was released on the PPPA web site.
- Names and number of bidders who purchased the construction bid documents. (Not indicated on bid opening and bid evaluation documents).
- Engineering Cost Estimate (not indicted on bid opening and bid evaluation documents).
- Content of any complaint lodged on bid evaluation result. (Not indicated on bid opening and bid evaluation documents).
- Construction Payment documents
- accidents record (accident & death)

9. Glossary

“Bid” means a stage in the procurement process extending from advertisement of or invitation to bid up to signing of contract.

"Bill of Quantities" means the document forming part of the Bid and containing an itemized breakdown of the works to be carried out in a unit price contract, indicating a quantity for each item and the corresponding unit price.

"Completion" means the fulfillment of a Contract.

"Contract Documents" means the documents listed in the **General Conditions of Contract**, including all attachments, appendices, and all documents incorporated by reference therein, and shall include any amendments thereto;

"Contractor" means a natural or juridical person under contract with a Public Body to supply works;

"General Conditions of Contract" means the general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of the Contract.

"In writing" shall be interpreted to include any document, which is recorded in manuscript or typescript.

"Intended Completion Date" means is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Special Conditions of Contract. Only the Engineer may revise the Intended Completion Date by issuing an extension of time or an acceleration order;

"Liquidated damages" means the compensation stated in the contract as being payable by Contractor to the Public Body for failure to perform the contract or part thereof within the periods under the contract, or as payable by Contractor to the Public Body for any specific breach identified in the contract;

“Proclamation” means the Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009.

"Special Conditions of Contract" means the conditions attached to the Contract Agreement, which shall govern the Contract and shall prevail over these General Conditions of Contract;

“Standard Bidding Document” means the document prepared by the Agency to serve as a point of reference in the preparation of bidding documents by Public Bodies.

"Works" mean all work associated with the construction, reconstruction, upgrading, demolition, repair, renovation of a building, road, or structure, as well as services incidental to works, if the value of those services does not exceed that of works themselves;

10. Annex

10.1. Annex 1: Filled Infrastructure Data Standard (IDS)

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION					
PHASE		ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	1	Date of disclosure	March /2018		
	2	Contract title	The construction of the of G+3 Class Room		
	3	Location	Amhara region south wollo Zone Dessie town, Wollo university Dessie campus		
	4	Procuring entity	Wollo University		
	5	Source for further information			
	6	Date of procurement notice	16/06/2006		
	7	Floating period of the procurement notice	25		
	8	Media used for procurement notice	Addis Zemen 73th No 346		
	9	Method of Procurement	Open tender		
	10	Type of Procurement	National competitive Bid		
	11	Procurement Procedure	Open national tender procedure		
	12	Evaluation criteria	(Technical and financial evaluation) two envelopes		
	13	Type of contract &	Admeasurements Contract		

		project delivery method			
14	Type and Amount of bid security	CPO, Cash or Bank guaranty/300,000			
15	content of any complaint lodged				
16	Engineer's estimate				
17	Date of bid opening	05/01/2007 EC 28/09/2014			
18	Number of bidders: Participated, rejected and declined to submit				
19	Awarded firm/contracting firm	Solomon Abiye Building Contractor			
20	Date of contract award	16/04/2015 (08/08/2007 EC)			
21	Awarded price/contract price	16,561,837.40			
22	Unit Contract price (price/km, price/Sq. meter)				
23	Contract security type and amount	1,656,183.74 (10 % of contract price)			
24	Date of contract signing	April 22/ 2015 (20/08/07)			
25	Contract scope	The Construction of G+3 Class Rooms			
26	Description of contract & Contract components	Construction of G+3 Class Rooms			
27	Contract Administration entity	MH Engineering PLC			
28	Contract duration	365			
29	Contract start date	09/05/15 (01/09/07)			
30	Intended Completion date	09/05/16 (01/09/08)			

PHASE	CONTRACT INFORMATION	CONSTRUCTION CONTRACT	DESIGN CONTRACT	SUPERVISIO N CONTRACT
1	Contract status (on going (% progress), terminated , completed)	provisionally Completed		
2	Completion date (revised, projected, Actual)	November 14/2016		
3	Changes to contract duration with reason	120		
4	Amount of liquidated damage If applied (penalty for delay)			
5	Contract price (revised, projected, Actual)	16,561,837.40		
6	Changes to contract price with reason	19,823,656.84		
7	Scope to completion	Class Room G+3		
8	Changes to contract scope with reason	Class Room G+3 (with retaining wall)		
9	Total payment effected/ only 2.5% retention remaining	18,665,933.51/ 414,798.52		
10	Warranty type and description	Insurance (1,656,183.7)		
11	Details of termination if applied			
12	Safety Measures (accident & death)			
13	Quality of work (very good, good, inferior, impossible to comment)			
14	Disputed issues & award			

C O N T R A C T I M P L E M E N T A T I O N		details			
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PROJECT PHASE		PROJECT INFORMATION	
PRELIMINARY PROJECT INFORMATION	1	Date of disclosure	March /2018
	2	Project owner	Wollo University
	3	Project name	The construction of the of G+3 Classroom Building
	4	Sector, Subsector	
	5	Source for further information	
	6	Project Location	Amhara region south wollo Zone Dessie town, Wollo university Dessie campus
	7	Purpose	Class Room (education)
	8	Project description	
	9	Original Project Scope	The construction of the of Main Administration Building
	10	Project components	Design service /supervision and

			contract Administration /Works
11	Environmental Impact		
12	Land and settlement impact		
13	Estimated budget of the project with breakdown of components		
14	Funding sources		The government of the federal republic of Ethiopia
15	Project budget approval date		
16	Project start date (planed, actual)		
17	Planed / Original duration for completing the whole project		
18	Planed / Original cost of the project		
19	Cost of the project at completion.		
20	Changes of project cost with reason		
21	Project completion date (Revised, projected, actual)		
22	Actual duration for completing the whole project		
23	Changes of project duration with reason		
24	Project Scope at completion		
25	changes of project scope with reason		
26	Reference to documents for disclosure upon request (reactive disclosure)		



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information for Hawassa University Administration Package Projects

Yaregal Ali – Assurance Professional

June, 2018
ADDIS ABABA, ETHIOPIA

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LIST OF ACRONYMS

ACA	Agriculture Campus (Hawassa University)
AP	Assurance Professional (which is Yaregal Ali)
CoST	Construction Sector Transparency Initiative
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
ICB	International Competitive Bidding
IPC	Interim Payment Certificate
LCBS	Least Cost Based System
M & HSC	Medical & Health Science Campus (Hawassa University)
MPI	Material Project Information
NA	Not Applicable
NCB	National Competitive Bidding
NMSG	National Multi Stakeholder Group
No	Number
PE	Procuring Entity (which is Hawassa University)
PPA	Public Procurement Agency
QCBS	Quality Cost Based System
TAC	Technical Analysis Committee
VO	Variation Order

1. EXECUTIVE SUMMARY

This report discusses the disclosure and quality assurance of project information for Hawassa University Administration Package Projects. Its main objective is to enhance the transparency of the PE & construction companies by disclosing to the public ‘Infrastructure Data Standard’ at all stages of the construction project cycle. The report is prepared by the AP on behalf of CoST – Ethiopia who will be responsible for assessing the adequacy and reliability of the disclosed project information, highlighting any causes for concern for the specifically selected projects.

CoST is an international multi-stakeholder program designed to increase transparency and accountability in the construction sector. CoST is based on the belief that increased transparency through disclosure of project information will lead to greater accountability of public officials and eventually to more efficient and effective construction of public infrastructure. At the country level it is represented by CoST – Ethiopia and its activities is directed by NMSG that represents the interests of Government, the private sector, and the civil society.

The disclosure of information for the respective project is basically carrying out in reference with the documents collected from PE and Consultant assigned for the project. In the previous times the PE has already been informed by CoST – Ethiopia to collaborate on provision of required information and also carry out the necessary tasks mutually. Accordingly, the PE has made available part of project information and to some extent from Consultant. However, it was a major challenge to access all the required project information from PE and Consultant office to prepare a complete disclosure and assurance process in this report. Based on the analysis made on available partial project information, however, appreciable findings and cause of concerns are identified in this report. A Brief Description of the Project & Contracts included in this report are summarized, hereunder, in Table 1.1.

Table 1.1: Summary of Project and Contract Information

Date of Disclosure and Assurance	April 12, 2018
Name of the AP	Yaregal Ali
Name of the Project	Administration Package Projects
Project Location	Hawassa Main Campus and Wondogenet
Name of the Employer	Hawassa University
List of Contracts	Design, Contract Administration and Supervision, Works Contract
Contractor	MIDROC Construction Ethiopia PLC
Consultant	Zelege Belay Architect PLC

1.1 Summary of Findings and Causes of Concern

1.1.1 Accessibility Problem of Project Information

It has been observed problems from PE’s side on the proper maintenance and smooth access of documents and records for the project under review. The information in relation to procurement of

Consultancy Service and Works Contracts, changes to the respective Original Contracts and initial project programs are the major ones facing problems to access easily from PE's office. There are also other important lists of information, as described in the following part, required but unavailable for the assignment so that a complete disclosure & assurance process couldn't be performed in this report for the project. In general, the problem of accessibility on required project information results the following problems:

- ✚ Incomplete Report: Difficulty to reach on complete judgment and outline overall conclusions & recommendations for the study;
- ✚ Information gap to justify PE's transparency on the implementation Procurements & Contracts in accordance with the rules of Law.

With respect to Maintaining Records of Procurement the PE is expected to comply with following Articles:

- ☐ Article 32 of the PPA Directive (2010);
- ☐ Article 32 of the Ethiopian Government Procurement & Property Administration Proclamation 649/2009 – with respect to **lists** of records shall be kept;
- ☐ Article 73 of the Financial Administration Proclamation 648/2009 – with respect to the **time** for which such records shall be kept.

1.1.2 Modification of Bid Document without PE's Knowledge

The Bid Document collected by the Bidders has been made modified without getting the prior approval of the PE. The Procurement Approval Committee of the PE has described in the Minutes of Meeting no 12/05 that the criteria of equipment have been modified illegally, by adding Batching Plant, on bid document without getting approval from PE.

Implications:

- ✚ The Contract Procurement could be subjected to low Competition,
- ✚ Confusion and ambiguity on the fairness of the Bid Document.

1.1.3 Submission Problem of Bid Offer

It has been observed that a lesser number of bidders have submitted their qualification applications than expected as compared to the number of bidders who bought the Bid Documents. Out of nineteen (19) prospective bidders who bought the tender documents for Works Contract, only two (2) of them have submitted their qualification applications and financial offers.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,

Focus areas:

- ✚ Increase participants by change the type of Procurement to ICB for such type of projects by complying Article 17.2/a/ of the Federal Public Procurement Directive (2010),
- ✚ Conduct detail study on fixing of the Evaluation Criteria, especially for Equipment, based on the experiences gained from previous similar projects.

1.1.4 Restriction of the Bid to NCB

The type of Procurement advertised for Works was NCB which was limited to local contractors which can be considered as one of the factors to have less competition on the bid.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,

In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

1.1.5 Problem on Approval of Variations

Interim Payments have been certified for new items of work without following the formal procedures and requirements of Clause 39.1 of the GCC.

Implications:

- ✚ Lack of clear information on the overall amount of cost overruns
- ✚ Facing of mismanagement on project budget,
- ✚ Lack of transparency on evaluation of variation prices,
- ✚ Open to corruption,

Focus areas:

- ✚ Monitoring and close control of variation works in compliance with Clause 39.1 of the GCC,

2. INTRODUCTION

The report is organized in the order of PE's implementation on Procurements and Contracts of the project from Design to Construction stage. In each part, the disclosure and assurance process of Procurement and Contract implementations of the PE are verified and analyzed separately in compliance with the respective requirements and Contract/Project specific issues are identified. Finally, recommendations for the key findings and further review are outlined.

At the last part of this report, detail lists of Procurement, Contract and Project information are disclosed separately for every Contract of the relevant project in the Standard Disclosure Template of CoST – Ethiopia as per the information taken from available documents.

For the preparation of this report, the AP has gone through the following core activities in order to address the main objectives of the assignment.

2.1 Objective of the Assurance Process

The main tasks involved on the assurance process are compilation of relevant project information, making verification/quality assurance and preparing disclosure document that contains causes of concern at all stages of the project cycle.

2.2 Activities of the Assurance Process

- ❖ Collecting project information from the PE and, where necessary, consultant and contractor on selected project in order to ensure the publication of the relevant Material Project Information (MPI) as outlined in the Disclosure Standards of CoST – Ethiopia.
- ❖ Verifying the accuracy and completeness of information collected and produce reports.
- ❖ Making site visit to have visual impression of the project and makes additional verification as required.
- ❖ Analysing the information obtained in order enable the public to make informed judgements about the cost, time of delivery and quality of the built infrastructure,
- ❖ Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analysed information reveals.
- ❖ Making presentations to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the report accordingly.

2.3 Challenges of the Assurance Process

The difficulty on accessing of some but basic project information relevant to the assurance process were the main challenges faced both from PE and the Consultant. The report has partly discussed the project assurance process as per the available documents from PE and the Consultant however be deficient in discussing the full part due to accessibility problem of the following information:

Lists of Unavailable Documents

- A. Feasibility Study,
- B. Financing Agreements (Funding sources) for the Project,
- C. Project budget approval date,
- D. Project start date (planned, actual),
- E. Planned/ Original duration for completing the whole project,

- F. Planned/Original cost of the project,
- G. Tender Evaluation Reports for Design, Contract Administration & Supervision Contract,
- H. Detail Technical Evaluation Reports for Administration Package Works Contracts,
- I. Total payment effected for Design & Supervision Contract,

The following documents are required for Design & Supervision Contract and Administration Package Works Contract:

- J. Cost Estimates (or Engineer's Estimate),
- K. Warranty, Bonds and Securities, (including renewed documents),
- L. Changes to Contracts (price, duration, scope, etc.,) during implementation,
- M. Claims requested and approved,
- N. Content of any complaint lodged,
- O. Safety Measures (accident & death),
- P. Signed and Sealed Progress Reports,
- Q. Minutes of Meetings, Letter Correspondence, etc.,
- R. Costs of Contracts at Completion

The AP and CoST – Ethiopia has made the necessary efforts to access all the required information both from PE and the Consultant in all times of report preparation period. In accordance with the letter of CoST – Ethiopia to the PE Ref. No. CoST-E/Ad/01/209/18 dated 21/05/2010 E.C. and also with the given information of PE's contact address, the AP has made the necessary effort to acquire the required information relevant to the assignment within reasonable time. The AP has arranged two step contact with PE as the location of PE's office is in Hawassa Town which is about 330 km far away from the city of Addis Ababa. The first step was arranged to contact PE's focal person through telephone line in order to have common understanding about the assignment and ensure the readiness of required information before their office visit. Accordingly, the AP has made visit to the AP's office in Hawassa Town from March 27, 2018 to March 29, 2018 and made face to face discussion with PE's focal person including other relevant higher officials of the University. The AP has also made a visit with the Consultant Office on project site and discussed with the respective representative for collecting the required documents. Nevertheless, the information provided by the PE as well as Consultant site office was partial and in the absence of important documents for the assignment.

CoST – Ethiopia has also made additional effort to acquire complete project information so that a letter ref. no. CoST E/Ad/01/215/18, dated 12/08/2010, along with lists of required project information has been forwarded to the Consultant, Zeleke Belay Architect PLC, head office in Addis Ababa, to provide relevant documents for the project. The response of the Consultant was minimal and forwarded partial information through email on 15/05/18 (07/09/2010 E.C), which is forwarded after 26 days of request. The partial documents of the Consultant are also forwarded in excel and word format without having sign and seal on them. In general, the collection of information both from PE and Consultant office were partial and to access the above listed key documents was a major challenge.

Nevertheless, it has been observed the positive cooperation and response of the PE on the response of CoST – Ethiopia's request. The AP appreciates the PE for their concern and close assistant on provision of copies of some of documents from their office as well as Consulting office. The PE has made the necessary effort for the service and assigned one focal person to work with AP for document collection purpose. It has been tried to collect partly of the required documents from PE's office and also Consultant Project Office during AP's two-days stay in Hawassa Town. The AP also forward great appreciation to

CoST – Ethiopia for its prior arrangement with PE and close follow-up on getting timely the necessary documents from PE.

The overall project information collected from PE and Consultant Office are listed below:

Lists of Documents Collected from PE (March 27-29, 2018)

- A. Minutes of Meetings for Technical and Financial Evaluation Report – Construction works,
- B. Signed Contract Agreement – Construction works,
- C. Signed Contract Agreement – Construction Design and Supervision,
- D. Renewed Advance Payment Bond Document.

Lists of Documents Collected from Consultant Site Office (March 27-29, 2018)

- A. Certificate of Payment No. 16 Document – Construction works,
- B. Unsigned Monthly Progress Report No. 38 & 39 – Construction works,
- C. Signed Provisional Acceptance Document – Construction works.

Lists of Documents Collected from Consultant Head Office (April 15, 2018)

- A. Payment Certificate No. 16 soft copy in excel without sign and seal,
- B. Summary of Time Extension Request Approval soft copy in word without sign and seal,
- C. Crushed Program, Revision # 3, soft copy in excel without sign and seal,
- D. Contract Agreement for Foundation Test, Cost Reimbursement request and other related Documents - 8 pages of Scanned Documents,
- E. Progress Reports (for six months) in soft copy without sign and seal, Nov. 2013, Jan. 2014, Feb. 2014, March. 2014, Apr. 2014, and May2014.
- F. Contract Document including Provisional Sum items, in soft copy without sign and seal.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

Hawassa University Administration Package Projects comprise construction of Administration Office, Central Store and Central Garage buildings at main campus; Student Cafeteria and Library buildings at Wondogenet campus of the University. Initially the PE has made Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C in order to carry out Design, Contract Administration and Supervision for the project under review along with other three buildings as one package. The Contract Agreement was made to the winner of the Consultant for the advertised package as a whole including extra three buildings out of the project under review. However, the Works Contract was entered into a Contract with the successful Contractor only for the project under review namely, Administration Office, Central Store, Central Garage, Student Cafeteria and Library buildings and by excluding the other three buildings from the package.

The Consultancy Service Contract Agreement was made with Zeleke Belay Architect PLC on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The PE has also made Contract Agreement with MIDROC on July 05, 2013 Construction Works after making Bid Advertisement on November 16, 2012. The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price Works Contract is 181,735,959.60 Birr (including VAT).

The Construction Works of the project are completed on 15th day of December, 2017 and a provisional acceptance has already been made on this date in the presence of representatives of PE, Consultant and Contractor.

3.2 Scope of the Project

The scope of the project is to enhance the University's teaching and learning process by increasing other extra structure besides the existing ones.

3.3 Socio Economic Benefits (Purpose) of the Project

It is expected that the implementation of the building Project will bring a number of significant social and economic benefits, for example, employment opportunities and income benefits for the local people. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like feasibility study, and/or lack of relevant information from PE's office.

3.4 Undesired Impacts of the Project

It is also expected that construction and operation of the building will cause some impacts on the natural environment and local communities. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like EIA, and/or lack of relevant information from PE's office.

3.5 Source of Funding and Project Cost

There is no information available for source of funding and overall cost of the project. However, the information for project cost is partly made available for Consultancy Service and Works Contracts. The Contract Price for the Works Contract is 181,735,959.60 Birr (including VAT). The overall Contract

Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design Services and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration Services.

3.6 Project Duration

No information is available for the overall duration of the project. However, as per the available documents, the PE has made the Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C. the Contract period agreed to complete the whole of the works for Works Contract was 730 Calendar days and intended to be completed on 05th of August, 2015.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN, CONTRACT ADMINISTRATION & SUPERVISION SERVICES

4.1 Disclosure of Procurement Information

This report Discloses Partial Procurement Information in reference with the available Consultancy Service Contract Agreement Document available from PE. For complete disclosure it is required additional relevant information from PE. The main source of information required for complete disclosure but unavailable from PE office is [Tender Evaluation Report](#).

4.1.1 Overview of the Procurement Process

The process of procurement of Consultancy Service requires the PE to undertake a numbers tasks as per the Government rules and regulation of procurement starting from Bid advertisement to Contract Award. In the absence information, especially Tender Evaluation Report, however, the performance the PE on the procurement process couldn't be reviewed accordingly.

4.1.2 Verification of the Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

In reference with the available information from PE, twenty lists of information are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. On the other hand, the following nine (9) lists of key information required for carrying out assurance process couldn't be disclosed due to accessibility problem of Tender Evaluation Report and other relevant documents.

- 1) Floating period of the procurement notice,
- 2) Method of procurement,
- 3) Type of Procurement,
- 4) Procurement procedure,
- 5) Type & Amount of bid security,
- 6) Content of any complaint lodged,
- 7) Engineer's estimate,
- 8) Date of bid opening,
- 9) Number of bidders: Participated, rejected and declined to submit.

4.1.2.2 Accuracy of the Disclosed Procurement Information

Out of twenty lists of Procurement Information disclosed on CoST Standard Disclosure Template Eleven (11) of them are referred from available secondary source, which is from **Consultancy Service Contract Document**. The accuracy Procurement Information disclosed from secondary source couldn't be checked from their original sources due to unavailability of relevant documents, specifically [Tender Evaluation Report](#).

Table 4.1: Lists of Information Disclosed from Secondary Sources

Item No.	Lists of Information	Source Document
1	Media used for procurement notice	
2	Date of procurement notice	

3	Evaluation criteria	Consultancy Service Contract Agreement Document
4	Contract Title	
5	Contract Scope	
6	Contract security type and amount	
7	Description of contract & Contract components	
8	Awarded firm/contracting firm	
9	Award Price	
10	Contract Duration	
11	Intended completion date	

4.1.3 Analysis of the Disclosed Procurement Information

The lists of information disclosed on CoST Standard Disclosure Template are mainly used for information purpose. The lists of information are disclosed in reference with secondary source and also without checking their accuracy from their original sources. The key lists of information required for analysis purpose couldn't be disclosed on CoST Standard Disclosure Template due to accessibility problem of relevant documents. As a result of such situations, the overall Assurance process of Procurement of Consultancy Service couldn't be analyzed in detail with respect to the following issues:

- 4.1.3.1 Compliance of the Procurement Process with Rules of Advertisement**
- 4.1.3.2 Efficiency of the Procurement Process (Timeliness)**
- 4.1.3.3 Fairness of the Procurement Rules On Participation**
- 4.1.3.4 Transparency of the Tender Evaluation Process**
- 4.1.3.5 Objectivity the Tender Evaluation and the Award Criteria**
- 4.1.3.6 Competitiveness of the Award Price**
- 4.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost**

4.2 Disclosure of Contract Information

4.2.1 Overview of the Contract

Zelege Belay Architect PLC has entered into a Consultancy Service Contract Agreement with Hawassa University on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The Consultancy Service Contract includes Design, Contract Administration and Supervision for the following projects:

Table 4.2: List of Projects for Design and Supervision Service Contracts

Administration Office with landscaping	At main campus
Central Store /Warehouse/	At main campus
Central Garage	At main campus
Library	At Wondogenet
Student Cafeteria	At Wondogenet
Multipurpose Hall	At M & HSC
Lecture Theatre	At M & HSC

Multipurpose Building	At ACA
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The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price also includes the Consultancy Service of extra three buildings out of the scope of the project under review, namely, Multipurpose Hall, Lecture Theatre and Multipurpose Building.

4.2.2 Verification of the Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

The PE has made available copy of signed and sealed **Contract Document** agreed for carrying out the Consultancy services of the project. Other than this document, no information is available both from PE and Consultant Office. Therefore, this Contract Document is used as the only source for the disclosure of Consultancy Contract information in this report.

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Service Contract. The information listed on the Standard Disclosure requires to access on relevant documents made for implementation of the Contract for the Project. The available document of the Contract Agreement has little to disclose the required information. Therefore, almost all the lists of Contract Information couldn't be disclosed as per the required Standard Disclosure Template. The main source of information required for this task but unavailable from PE as well as Consultant office are the following:

- 1) Total payment effected until date of this report disclosure,
- 2) Changes to Contracts (price, duration, scope, etc.,) during implementation,
- 3) Claims requested and approved,
- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports,
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion.

In the absence of the above list of documents, the assurance process of Contract Information couldn't be discussed with respect to the following issues:

4.2.2.2 Accuracy of the Disclosed Contract Information

- Source documents used for verification
- Observed information variance
- Explanation of PE for the variance
- AP's conclusion on the variance

4.2.3 Analysis of the Disclosed Contract Information

4.2.3.1 Issues Related to Contract Price

- Changes as compared to the original contract price
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.2 Issues Related to Contract Duration

- Changes of contract duration as compared to the original contract duration?
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.3 Issues Related to Contract Scope

- Changes of contract scope as compared to the original contract scope
- Justification of Changes
- Brief Explanation for Unjustified Changes

5. DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR WORKS CONTRACT

5.1 Disclosure of Procurement Information

5.1.1 Overview of the Procurement Process

The procurement notice of invitation for the bid was published on the Ethiopian Herald on November 16, 2012. Pursuant to the notice of invitation, nineteen applicants have collected the tender documents before the deadline submission of applications.

NOTE: The lists of Bidders collected the tender documents couldn't be disclosed in this report due to lack of information from PE.

Among the nineteen bidders who have bought the tender documents from PE, only two (2) of them (see Table 5.1 below) have submitted their qualification applications and financial offers in separate sealed envelopes before/on December 19, 2012, 2:00 PM.

Table 5.1: List of Applicants who submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	Afro Tsion Construction PLC	Ethiopia
2	MIDROC Ethiopia Construction PLC	Ethiopia
	Total	2

The selection criterion for the highest score of the firm was based on the aggregate score results of 40% technical proposal & 60% financial proposal. The evaluation was carried out in two stage procedures, namely, Post Qualification & Financial Bid Evaluation.

The evaluation process for Post Qualification has been carried out by assigned representatives of PE along with external Consultant, Zeleke Belay Architect PLC. The evaluation committee has recommended for approval to the PE's concerned office on 24/04/05 E.C that the two bidders indicated in Table 5.1 above to be post-qualified and their Financial Bids to be opened.

The recommendation document has been reviewed by Procurement Approval Committee of the PE and finally decided to reject one of the bidder's Post Qualification document due to late renewal of license after the date of bid submission. On Tir 23, 2005, the Procurement Approval Committee has approved only one Bidder, Afro Tsion Construction PLC, to open the financial offer.

Accordingly, the PE has opened the financial offer of Afro Tsion Construction PLC on 20/06/2005. However, the decision of the result has been suspended to a certain period of time due to submission of claim by MIDROC Ethiopia Construction PLC to PPA upon their refusal on participation of financial qualification. The MIDROC Ethiopia Construction PLC claim has been accepted by PPA and finally, the PE has decided to open their financial offer. On 06/10/05, the PE has opened the financial offer of MIDROC Ethiopia Construction PLC and read along with the previous opened offer of the other bidder.

As a result of the valuation MIDROC Ethiopia Construction PLC became the successful winner of the bid both technically and financially with an amount of 181,735,959.60 Birr (including VAT).

Finally, the PE has made Contract Agreement with MIDROC Ethiopia Construction PLC on 15th day of July, 2013 after forwarding Letter of Acceptance on 26/10/05 E.C.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The PE has made available the Tender Evaluation Reports without having attached on it the detail evaluation documents carried out for technical and financial proposals. Based on the available document, most of the Procurement Information, except two, are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. The information with respect to Engineer's Estimate and price per sq. meters of the project couldn't be disclosed due to accessibility problem of documents from PE and/or Consulting Office.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The lists of information disclosed on the Standard Template are made in reference with copies of primary source documents. however, information with respect to the results of technical and financial proposals couldn't be checked with their detail evaluation documents due to their absence on the available documents.

5.1.3 Analysis of the Disclosed Procurement Information

5.1.3.1 Compliance of the Procurement Process with Rules of Advertisement

Media of Bid Advertisement: The Bid was openly advertised on the Ethiopian Herald which is widely known newspaper in Ethiopia so that the dissemination of information to participate all national qualified contractors on the bid. The Media used for Bid Advertisement has also complied with Article 16.2/1 of the Federal Public Procurement Directive (2010).

Bid Floating Period: The date of procurement notice of the bid was on November 16, 2012 and the deadline for bid submission was on December 19, 2012. Therefore, the floating period of the Bid would be 33 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010) the minimum bid period shall be 30 days for National Competitive Bid.

The Floating Period of the Bid has complied with rules of the Procurement Directive (2010).

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

The evaluation of the Technical Proposal has been completed on 23/05/05 after 31 days of the Bid Submission date, 24/04/2005. The period of evaluation of the Technical Proposal was reasonable compared to the 60 days of Bid Validity Period described on the Bid Document, ITB 15.1 of Bid Data Sheet.

On the other hand, the PE has initially opened the financial offer on 20/06/2005, after having a delay of 27 days from the completion date of evaluation of the Technical Proposal.

The evaluation process the financial offer couldn't be continued as per the PE's schedule and suspended further due to submission of claim by MIDROC Ethiopia Construction PLC to PPA upon their refusal on

participation of financial qualification. Such inconvenience has also made the PE's procurement process to have a further delay upon the expected bid validity period of 60 days. After having made solutions on the bidder's claim, the PE has made Contract Agreement with MIDROC Ethiopia Construction PLC on 15th day of July, 2013.

The overall procurement process of the Bid has almost taken seven months of period. The PE has shown a five months of delay from the expected schedule of 60 days Bid Validity Period. The evaluation of the Technical Proposal was completed within reasonable period of time. However, a major delay has been seen on the evaluation of the Financial Offer due to the following two reasons.

1. The delay on opening of the Financial Offer by the PE after completion of evaluation of the Technical Proposals. The schedule on carrying out each tasks of the procurement process should be limited in consideration with the validity period of the Bid. Therefore, 27 days of delay, almost half of bid validity period, on opening of the Financial Offer was unreasonable.
2. Submission of Claim by the Bidder. In reference with the minutes of meetings of the PE recorded on the technical evaluation report. the PE has made reasonable evaluation of the Technical Proposal in compliance with the Evaluation Criteria of the Bid. However, due to accessibility problem of information on the Bidder's claim, a final conclusion couldn't be given on reasonableness of the evaluation of the Technical Proposal with respect to the Bidder's claim.

5.1.3.3 Fairness of the Procurement Rules On Participation

Submission Problem of Bid Offer: It has been observed that a lesser number of bidders have submitted their qualification applications than expected as compared to the number of bidders who bought the Bid Documents. Out of nineteen (19) prospective bidders who bought the tender documents for Works Contract, only two (2) of them have submitted their qualification applications and financial offers.

There is document available from PE office to justify the root causes of submission problem of the Bid Offer by the Bidders. However, in reference with the available document, the following issues are analyzed as a potential cause to a possibility on undermining the Bidders from participation.

- **Evaluation Criteria:** The difficulty of Bidders on fulfilling the Qualification Criteria of Equipment described on the Bid Document. the lists of the equipment are large in quantity and high in capacity. The Procurement Approval Committee of the PE has described in the Minutes of Meeting no 12/05 that the criteria of equipment have been modified, by adding Batching Plant, on bid document without getting their approval. In our country, the contractors having owned this equipment are few in number. As the Bid is NCB, it will be hard to get sufficient participants for the bid.
- **Restriction of the Bid to NCB:** In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

5.1.3.4 Transparency of the Tender Evaluation Process

The evaluation of the Technical and financial Proposals has been carried out in stages by assigning the Technical Committee for recommendation and Procurement Approval Committee for approval of the recommended results. According to the information provided on the available documents, it is understood

that the results of evaluation have been make known to the Bid participants in different time. accordingly, one of the bidders has submitted his claim and get acceptance for participation. There is no other information available for any claim made on the transparency of the tender evaluation process.

5.1.3.5 Objectivity the Tender Evaluation and the Award Criteria

The information of the detail evaluation report of the technical proposal is not make available by the PE. The tender evaluations have been followed to some extent the rules of Procurement Directives. However, the award criteria described on the bid document seems exaggerated on the requirements of equipment with respect to the volume of the project and capacity of National Contractors in order to participate sufficiently on the bid.

5.1.3.6 Competitiveness of the Award Price

This part is left unanalyzed due to accessibility problem of Engineer's Estimate Document.

5.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

The PE has entered into a Contract with MIDROC Ethiopia Construction PLC in order to construct Administration Package Projects. The Contract comprises construction of Administration Office, Central Store and Central Garage, at Main Campus and Student Cafeteria and Library buildings at Wondogenet Campus. The Original Contract Price is 181,735,959.60 Birr (including VAT). The intended completion period of the whole of the works is 730 calendar days.

5.2 Disclosure of Contract Information

5.2.1 Overview of the Contract

MIDROC Ethiopia Construction PLC has started the construction of the Contract Works on 06th day of August, 2013 after handing over the construction site from PE on 22nd date of July, 2013. The intended date for completing the whole of the works was 05th day of August, 2015. However, due to certain reasons the project couldn't be completed as per the intended completion date. Even if the project was delayed, the construction works has been completed and the Provisional Acceptance was taken over on 15th day of December, 2017 by the order of the consultant and after notification to all concerned parties.

According to the available information of the Consultant, in reference with Provisional Acceptance document, the delay of the Contract has been justified and no penalty is given to the Contract for the delays beyond the intended completion date. The is no document available from the Consultant for the detail evaluation of the delay justification. Moreover, there is no clear information to changes made with respect to scope and cost from the original Contract.

5.2.2 Verification of the Disclosed Contract Information

5.2.2.1 Completeness of the Disclosed Contract Information

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Works Contract. The information listed on the Standard Disclosure requires to access a number relevant documents made for implementation of the Contract for the Project. The main source of information required for this task but unavailable from PE as well as Consultant office are documents related to the following issues:

- 1) Changes to Contracts (price, duration, scope, etc.,) during implementation,
- 2) Claims requested and approved,
- 3) Warranty, Bonds and Securities, (including renewed documents),

- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports, (partly collected from Consultant),
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion

Contract Agreement Document, Provisional Acceptance Document and Partial Progress Reports are the only available documents used for disclosure of Contract Information. The respective available documents have little information for the disclosure so that only 4 out of 14 lists of information are disclosed on Standard Disclosure Template.

5.2.2.2 Accuracy of the Disclosed Contract Information

The four lists of information disclosed on Standard Disclosure Template are referred from the primary Source of documents except one. The information for the justification of delay of the contract is not checked with the approved detail evaluation results due to unavailability of relevant documents.

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

This part is left unanalyzed due to accessibility problem of information for changes to Contract Price.

However, in reference with the available document of IPC no. 16, it is identified that payment has been certified for the new items of works which are out of the original contract agreement. The new work items include but not limited to the following:

Table 5.2: New Items of Work Included on IPC No.16

Item No.	Description of new work item	Location	Amount certified (in Birr)
1	Asphalt Work	Administration Office Block; under Compound Site Work	7,466,466.72
2	C-25 in 200mm thick Solid Slab	Administration Office Block; under Superstructure Concrete Work	189,303.64
3	C-25 in 200mm thick Solid Slab	Administration Office Block; under Superstructure Formwork Work	80,839.53
4	Plywood	Administration Office Block; under Superstructure Formwork Work	69,842.86
5	Mineral Paint	Administration Office Block; under Painting	104,974.42
6	Dia. 110 PVC Storm Water Drainage	Administration Office Block; under Sanitary Installation	24,384.00
7	5mm Metal Plate 25x25 cm wide	Central Store Block; under Metal Work	88,400.00
8	Ceramic Floor & Wall Tile	Central Store Block; under Finishes Work	449,277.70
9	Dia. 200 PVC Waste Pipe	Central Store Block; under Sanitary Installation	471,714.46
10	Rock Excavation	Central Garage Block; under Excavation	2,451,120.61

		and Earthwork	
11	PVC Tile	Central Garage Block; under Floor and Wall Finish	243,321.54
12	Quartz Paint	Central Garage Block; under Paint	1,289,555.84
13	Concrete Ditch Cover	Central Garage Block; under Sanitary Installation	661,242.09
14	Ramp	Student Cafeteria Block; under Superstructure Concrete Work	96,536.09
15	Flashing	Student Cafeteria Block; under Metal Work	24,060.24
16	Klinker Skirting	Student Cafeteria Block; under Floor and Wall Finish	24,261.00
17	Ceramic Floor & Wall Tile	Student Cafeteria Block; under Floor and Wall Finish	128,356.70
18	SHS 80x80x4.5mm	Library Block; under Metal Work	93,958.96
19	Flashing	Library Block; under Metal Work	13,736.52
20	Coping	Library Block; under Metal Work	25,207.81
21	Gutter	Library Block; under Metal Work	26,001.38
22	Urinal Partition	Library Block; under Sanitary Installation	22,500.00
23	PVC Waste Pipe		
	Dia. 50	Library Block; under Sanitary Installation	9,134.77
	Dia. 110	Library Block; under Sanitary Installation	26,416.00
	Dia. 100	Library Block; under Sanitary Installation	31,699.20
24	Light Fittings		
	FBH 020	Library Block; under Electrical Installation	374,558.10
	Wall recessed Lorient	Library Block; under Electrical Installation	78,896.15
Total			14,543,266.33

The Consultant as well the PE has been requested by the letter from CoST – Ethiopia to provide information about the changes made on the Original Contract Price. However, no information was available from both sides for the above new items of work. payments have already done for the above new items of work however no evidence is available to those changes whether being followed formal procedure in accordance with Clause 39.1 of the GCC described in the Contract Agreement on provision to the contractor, evaluation of the consultant and approval by the PE.

In accordance with Clause 39.1 of the GCC it is stated that

‘no such variation shall be done by the contractor without an order in writing of the Engineer’.

For any variation to be made the order of the Engineer shall be in writing and a separate document containing addition of new work items and omission of contract work items, if any, will be issued to the Contractor to fix his price for approval. The Engineer then evaluates the fixed prices and approve or forward to the PE as per the requirements of Clause 39.1 of the GCC.

In reference with IPC No. 16 document, the certification of payment made for new work items are not followed the procedures stated on Clause 39.1 of the GCC. The new work items are distributed in different places of building blocks and organized as per their respective work packages. It indicates that the procedure of provision of change orders, evaluation and approval processes are done without following the requirements of Clause 39.1 of the GCC. Even if such informal procedure exists, the

transparency of Engineer's evaluation performed on those new work items could not be further justified in this report due to accessibility problem of information.

5.2.3.2 Issues Related to Contract Duration

The construction of the project was planned to be completed within 730 calendar days. The start date of the construction work was on 06th August 2013 and intended to be completion on 05th August 2015. However, the actual completion date of the whole of the works was made on 15th December 2017. This indicates that the completion of the project has shown a significant delay by more than two years and four months from the intended period of time.

The delay of the construction work was extremely too high which is believed to be resulted from a number of several reasons in the course of construction period. The administration of the contract in relation to such kinds of changes to duration wouldn't be simple and requires close follow up and timely solution at every occurrence of delay during construction period. The consulting firm administrating the contract is expected to review, analyze, justify of contractor's submittals of the delay on each time of occurrence so that proper documentation shall be made on final approval documents of the client.

Even if the delay is too high there is no single document available from the client as well as from the consulting office to make assurance for the delay in this report. Therefore, this part is left unanalyzed due to accessibility problem of information for changes to Contract Duration. However, in reference with the Provisional Acceptance Document, no penalty is carried out for the delays of the Contract beyond the intended completion dated are justified.

5.2.3.3 Issues Related to Contract Scope

This part is also left unanalyzed due to accessibility problem of information for changes to Contract Scope. However, in reference to IPC No. 16, there are addition of new work item beyond the contract scope as listed on Table 5.2 above.

6. CONCLUSION AND RECOMMENDATION TO THE MSG

6.1 Conclusion

The disclosure and assurance process of the project is carried out in the absence of key information so that a complete report couldn't be produced specifically on the main concerns of implementation of the Contract both for Works and Consultancy Services. However, as per the available information collected from PE and Consultant office, appreciable findings and causes of concern are identified.

The inefficiency of the PE on handling of Project Information is the main finding observed in this report. The required information relevant to the project couldn't be easily accessed and even there is no proper well-known place of documentation specifically assigned by the PE for handling of project information. In compliance with the requirements of article 32 of the PPA Directive, the PE is expected to properly maintain procurement information to facilitate easily access at the time of request.

The other finding of the assurance process is that the Works Contract has been procured under low completion so that there would be a probability to occurrence to subject the project with high Contract Price. The project is large and complex however the type of Procurement advertised for the bid was NCB. Even if nineteen bidders have collected the bid only the two bidders have submitted their qualifications. On the other hand, the evaluation criteria of equipment have been modified on the bid document from the previously approved bid document by the PE. The modification was done by adding Batching Plant to the Equipment Criteria which could be one of the reasons for the problem of bid submission. It can be concluded that the type of Procurement, NCB, and modification made on Equipment Criteria could be the main factor of low competition which the PE shall draw its attention for future improvement.

The third key finding is the problem observed on the approval process of variations. No document is available with respect to variations however, in reference with IPC No. 16 document, it is observed that the procedure of provision of change orders, evaluation and approval processes are carried out without following the requirements of Clause 39.1 of the GCC. The transparency of approval of variations could not be analyzed due to such circumstances.

6.2 Issues Recommended for Further Review

In this report a complete disclosure and quality assurance process could not be carried out for the project due to accessibility problem of project information both from the client and the Consultant. The availability of complete project information is vital. Therefore the MSG main focus shall be drawn on acquiring the required project information as much as possible before starting of the assurance process.

7. Project and Contract Information Disclosure Template

DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	April 12, 2018		
	Contract title	Administration Package Projects	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Location	Main and Wondogenet Campuses of the University	Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Procuring entity	Hawassa University		
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21		
	Date of procurement notice	November 16, 2012	Tahisas 07, 2004 E.C	
	Floating period of the procurement notice	33 Cal. days	DNA	
	Media used for procurement notice	The Ethiopian Herald	The Ethiopian Herald	
	Method of procurement	Open bidding	DNA	
	Type of Procurement	NCB	DNA	
	Procurement procedure	Two stage bidding	DNA	
	Evaluation criteria	QCBS	QCBS	

	Type of contract & project delivery method	Unit Price Design-Bid-Build	Lump Sum
	Type & Amount of bid security	Certified Cheque or Bank Guarantee of amount 500,000 Birr	DNA
	Content of any complaint lodged	A complaint was lodged by MIDROC Construction upon rejection by the PE for opening of their bid documents due to absence of renewed license on the bid document and late submittal after bid opening date. However, MIDROC Construction has been granted by the PPA to participate on the bid.	DNA
	Engineer's estimate	DNA	DNA
	Date of bid opening	December 19, 2012	DNA

	Number of bidders: Participated, rejected and declined to submit	Participated: 2 Rejected: 0 Declined to Submit: 17	DNA
	Awarded firm/contracting firm	MIDROC Construction	Zelege Belay Architect PLC
	Date of contract award	26/10/05 E.C.	30/08/04 E.C
	Award price/Original Contract Price	181,735,959.60 Birr (including VAT)	2,102,243.00 Birr for Design and 105,112.00 Birr for monthly Construction Supervision and Contract Administration
	Unit Contract price (price/km, price/sq. meter)	DNA	NA
	Contract security type and amount	Performance Bond; 10% of Contract Price in the form of Insurance Bond	220,735.50 Birr – Bank Guarantee or Insurance Guarantee or CPO
	Date of Contract Signing	July 05, 2013	May 21, 2012
	Contract scope	Construction of Administration Office, Central Store & Central Garage buildings at main campus, Student Cafeteria & Library buildings at Wondogenet campus of the University	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.

	Description of contract & Contract components	In addition to the scope of the contract, the Contractor shall provide to the Engineer's Representative Office, Office Equipment and Furniture, Transport and Utilities.	Building Design, Contract Administration and Supervision	
	Contract administration entity	Zelege Belay Architect PLC	Hawassa University	
	Contract Duration	730 Calendar days	90 days	Until completion of Construction Works
	Contract Start Date	06 th August 2013	May 21, 2012	06 th August 2013
	Intended Completion Date	05 th August 2015	July 19, 2012	After the end of Construction Works
	Contract Status (ongoing (% progress), terminated, completed)	Completed	Completed	DNA
	completion date (Revised)	15 th December 2017	DNA	DNA
	Changes to contract duration with Reason	860 Cal. Days; DNA for reasons of delay	DNA	DNA
	Amount of Liquidated Damage if applied (Penalty for delay)	No penalty	DNA	DNA
	Contract price (Revised)	DNA	DNA	DNA

CONTRACT IMPLEMENTATION & COMPLETION (14 ITEMS)	Changes to contract price with reason	DNA	DNA	DNA
	Scope at completion	DNA	DNA	DNA
	Changes to contract scope with reason	DNA	DNA	DNA
	Total payment effected	129,023,673.18 Birr (including VAT) until October 17, 2017 (IPC 16)	DNA	DNA
	warranty type and description	DNA	DNA	DNA
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

Note:

NA – Note Applicable

DNA – Documents not Available

DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)

PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of disclosure	April 12, 2018
	Project owner	Hawassa University
	Project name	Administration Package Projects
	Sector, subsector	Building project
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21
	Project Location	Main and Wondogenet Campuses of the University
	Purpose	To enhance the University's teaching and learning process
	Project description	Design and Construction of Administration Office, Central Store & Central Garage buildings at main campus, Student Cafeteria & Library buildings at Wondogenet campus of the University
	Original Project Scope	
	Project Components	Design, Supervision and contract administration, Construction
	Environmental impact	DNA
	land & settlement impact	DNA
	Estimated budget of the project with breakdown of components	DNA
	Funding sources	
	Project budget approval date	DNA
	Project start date (planned, actual)	
	Planned/ Original duration for completing the whole project	DNA

	Planned/Original cost of the project	
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	DNA
	changes of project cost with reason	DNA
	Project completion date (Revised)	
	Actual duration for completing the whole project	
	changes of project duration with reason	
	Project Scope at completion	
	changes of project scope with reason	
	Reference to documents for disclosure upon request (reactive disclosure)	✚ Minutes of Meetings for Technical and Financial Evaluation Report – Construction works; ✚ Signed Contract Agreement – Construction works; ✚ Signed Contract Agreement – Construction Design and Supervision; ✚ Certificate of Payment No. 16 Document – Construction works; ✚ Signed Provisional Acceptance Document – Construction works; ✚ Renewed Advance Payment Bond Document; ✚ Unsigned Monthly Progress Report No. 38 & 39 – Construction works;

Note:

NA – Note Applicable

DNA – Documents not Available



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information for Hawassa University Mixed Use Package Projects

Yaregal Ali – Assurance Professional

June, 2018
ADDIS ABABA, ETHIOPIA

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LIST OF ACRONYMS

ACA	Agriculture Campus (Hawassa University)
AP	Assurance Professional (which is Yaregal Ali)
CoST	Construction Sector Transparency Initiative
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
ICB	International Competitive Bidding
IPC	Interim Payment Certificate
LCBS	Least Cost Based System
M & HSC	Medical & Health Science Campus (Hawassa University)
MPI	Material Project Information
NA	Not Applicable
NCB	National Competitive Bidding
NMSG	National Multi Stakeholder Group
No	Number
PE	Procuring Entity (which is Hawassa University)
PPA	Public Procurement Agency
QCBS	Quality Cost Based System
TAC	Technical Analysis Committee
VO	Variation Order

1. EXECUTIVE SUMMARY

This report discusses the disclosure and quality assurance of project information for Hawassa University Mixed Use Package Projects. Its main objective is to enhance the transparency of the PE & construction companies by disclosing to the public ‘Infrastructure Data Standard’ at all stages of the construction project cycle. The report is prepared by the AP on behalf of CoST – Ethiopia who will be responsible for assessing the adequacy and reliability of the disclosed project information, highlighting any causes for concern for the specifically selected projects.

CoST is an international multi-stakeholder program designed to increase transparency and accountability in the construction sector. CoST is based on the belief that increased transparency through disclosure of project information will lead to greater accountability of public officials and eventually to more efficient and effective construction of public infrastructure. At the country level it is represented by CoST – Ethiopia and its activities is directed by NMSG that represents the interests of Government, the private sector, and the civil society.

The disclosure of information for the respective project is basically carrying out in reference with the documents collected from PE and Consultant assigned for the project. In the previous times the PE has already been informed by CoST – Ethiopia to collaborate on provision of required information and also carry out the necessary tasks mutually. Accordingly, the PE has made available part of project information and to some extent from Consultant. However, it was a major challenge to access all the required project information from PE and Consultant office to prepare a complete disclosure and assurance process in this report. Based on the analysis made on available partial project information, however, appreciable findings and cause of concerns are identified in this report. A Brief Description of the Project & Contracts included in this report are summarized, hereunder, in Table 1.1

Table 1.1: Summary of Project and Contract Information

Date of Disclosure and Assurance	April 12, 2018
Name of the AP	Yaregal Ali
Name of the Project	Mixed Use Package Projects
Project Location	Hawassa (Agriculture Campus and Medical Campus)
Name of the Employer	Hawassa University
List of Contracts	Design, Contract Administration and Supervision, Works Contract
Contractor	Zamra Construction PLC
Consultant	Zelege Belay Architect PLC

1.1 Summary of Findings and Causes of Concern

1.1.1 Accessibility Problem of Project Information

It has been observed problems from PE’s side on the proper maintenance and smooth access of documents and records for the project under review. The information in relation to procurement of

Consultancy Service and Works Contracts, changes to the respective Original Contracts and initial project programs are the major ones facing problems to access easily from PE's office. There are also other important lists of information, as described in the following part, required but unavailable for the assignment so that a complete disclosure & assurance process couldn't be performed in this report for the project. In general, the problem of accessibility on required project information results the following problems:

- ✚ Incomplete Report: Difficulty to reach on complete judgment and outline overall conclusions & recommendations for the study;
- ✚ Information gap to justify PE's transparency on the implementation Procurements & Contracts in accordance with the rules of Law.

With respect to Maintaining Records of Procurement the PE is expected to comply with following Articles:

- ☐ Article 32 of the PPA Directive (2010);
- ☐ Article 32 of the Ethiopian Government Procurement & Property Administration Proclamation 649/2009 – with respect to **lists** of records shall be kept;
- ☐ Article 73 of the Financial Administration Proclamation 648/2009 – with respect to the **time** for which such records shall be kept.

1.1.2 Restriction of Bid Floating Period

The Bid Floating Period of Works has been limited to 20 days. The project is large and complex sufficient time to study the details of the project to fix the bid price. For such type of project at least 30 days Bid Floating Period could be given as stated in Article 16.9/2 of the Federal Public Procurement Directive (2010).

Implications:

- ✚ The Contract Procurement could be subjected to low Competition,

1.1.3 Low Participation on the Bid

It has been observed that a lesser number of bidders have submitted their qualification applications for Works Bid, only three bidders have submitted their qualification applications and financial offers.

It has a direct effect on restricting Bidders to allow enough time for studying of the Bid Document and preparing their qualification Application in proper way.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,
- ✚ Inappropriate fixation of unit price.

Focus areas:

- ✚ Increase participants by change the type of Procurement to ICB for such type of projects by complying Article 17.2/a/ of the Federal Public Procurement Directive (2010),
- ✚ The Bid Floating Period shall at least comply with minimum requirement period stated in Article 16.9/2 of the Federal Public Procurement Directive (2010).

1.1.4 Restriction of the Bid to NCB

The type of Procurement advertised for Works was NCB which was limited to local contractors which can be considered as one of the factors to have less competition on the bid.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,

In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participate on the bid would be high.

1.1.5 Problem on Approval of Variations

Interim Payments have been certified for new items of work without following the formal procedures and requirements of Clause 39.1 of the GCC.

Implications:

- ✚ Lack of clear information on the overall amount of cost overruns
- ✚ Facing of mismanagement on project budget,
- ✚ Lack of transparency on evaluation of variation prices,
- ✚ Open to corruption,

Focus areas:

- ✚ Monitoring and close control of variation works in compliance with Clause 39.1 of the GCC,

2. INTRODUCTION

The report is organized in the order of PE's implementation on Procurements and Contracts of the project from Design to Construction stage. In each part, the disclosure and assurance process of Procurement and Contract implementations of the PE are verified and analyzed separately in compliance with the respective requirements and Contract/Project specific issues are identified. Finally, recommendations for the key findings and further review are outlined.

At the last part of this report, detail lists of Procurement, Contract and Project information are disclosed separately for every Contract of the relevant project in the Standard Disclosure Template of CoST – Ethiopia as per the information taken from available documents.

For the preparation of this report, the AP has gone through the following core activities in order to address the main objectives of the assignment.

2.1 Objective of the Assurance Process

The main tasks involved on the assurance process are compilation of relevant project information, making verification/quality assurance and preparing disclosure document that contains causes of concern at all stages of the project cycle.

2.2 Activities of the Assurance Process

- ❖ Collecting project information from the PE and, where necessary, consultant and contractor on selected project in order to ensure the publication of the relevant Material Project Information (MPI) as outlined in the Disclosure Standards of CoST – Ethiopia.
- ❖ Verifying the accuracy and completeness of information collected and produce reports.
- ❖ Making site visit to have visual impression of the project and makes additional verification as required.
- ❖ Analysing the information obtained in order enable the public to make informed judgements about the cost, time of delivery and quality of the built infrastructure,
- ❖ Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analysed information reveals.
- ❖ Making presentations to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the report accordingly.

2.3 Challenges of the Assurance Process

The difficulty on accessing of some but basic project information relevant to the assurance process were the main challenges faced both from PE and the Consultant. The report has partly discussed the project assurance process as per the available documents from PE and the Consultant however be deficient in discussing the full part due to accessibility problem of the following information:

Lists of Unavailable Documents

- A. Feasibility Study,
- B. Financing Agreements (Funding sources) for the Project,
- C. Project budget approval date,
- D. Project start date (planned, actual),
- E. Planned/ Original duration for completing the whole project,

- F. Planned/Original cost of the project,
- G. Tender Evaluation Reports for Design, Contract Administration & Supervision Contract,
- H. Detail Technical Evaluation Reports for Mixed Use Package Works Contracts,
- I. Total payment effected for Design & Supervision Contract,

The following documents are required for Design & Supervision Contract and Mixed Use Package Works Contract:

- J. Cost Estimates (or Engineer's Estimate),
- K. Warranty, Bonds and Securities, (including renewed documents),
- L. Changes to Contracts (price, duration, scope, etc.,) during implementation,
- M. Claims requested and approved,
- N. Content of any complaint lodged,
- O. Safety Measures (accident & death),
- P. Signed and Sealed Progress Reports,
- Q. Minutes of Meetings, Letter Correspondence, etc.,
- R. Costs of Contracts at Completion

The AP and CoST – Ethiopia has made the necessary efforts to access all the required information both from PE and the Consultant in all times of report preparation period. In accordance with the letter of CoST – Ethiopia to the PE Ref. No. CoST-E/Ad/01/209/18 dated 21/05/2010 E.C. and also with the given information of PE's contact address, the AP has made the necessary effort to acquire the required information relevant to the assignment within reasonable time. The AP has arranged two step contact with PE as the location of PE's office is in Hawassa Town which is about 330 km far away from the city of Addis Ababa. The first step was arranged to contact PE's focal person through telephone line in order to have common understanding about the assignment and ensure the readiness of required information before their office visit. Accordingly, the AP has made visit to the AP's office in Hawassa Town from March 27, 2018 to March 29, 2018 and made face to face discussion with PE's focal person including other relevant higher officials of the University. The AP has also made a visit with the Consultant Office on project site and discussed with the respective representative for collecting the required documents. Nevertheless, the information provided by the PE as well as Consultant site office was partial and in the absence of important documents for the assignment.

CoST – Ethiopia has also made additional effort to acquire complete project information so that a letter ref. no. CoST E/Ad/01/215/18, dated 12/08/2010, along with lists of required project information has been forwarded to the Consultant, Zeleke Belay Architect PLC, head office in Addis Ababa, to provide relevant documents for the project. The response of the Consultant was minimal and forwarded partial information through email on 15/05/18 (07/09/2010 E.C), which is forwarded after 26 days of request. The partial documents of the Consultant are also forwarded in excel and word format without having sign and seal on them. In general, the collection of information both from PE and Consultant office were partial and to access the above listed key documents was a major challenge.

Nevertheless, it has been observed the positive cooperation and response of the PE on the response of CoST – Ethiopia's request. The AP appreciates the PE for their concern and close assistant on provision of copies of some of documents from their office as well as Consulting office. The PE has made the necessary effort for the service and assigned one focal person to work with AP for document collection purpose. It has been tried to collect partly of the required documents from PE's office and also Consultant Project Office during AP's two-days stay in Hawassa Town. The AP also forward great appreciation to

CoST – Ethiopia for its prior arrangement with PE and close follow-up on getting timely the necessary documents from PE.

The overall project information collected from PE and Consultant Office are listed below:

Lists of Documents Collected from PE (March 27-29, 2018)

- A. Minutes of Meetings for Technical and Financial Evaluation Report – Construction works,
- B. Signed Contract Agreement – Construction works,
- C. Signed Contract Agreement – Construction Design and Supervision,

Lists of Documents Collected from Consultant Site Office (March 27-29, 2018)

- A. Certificate of Payment No. 13 Document – Construction works,
- B. Signed Supplementary Contract Agreement – Construction works,
- C. Signed Provisional Acceptance Document for Multipurpose Hall, Pedestrian Bridge, Operation Theatre and Public Toilet – Construction works.

Lists of Documents Collected from Consultant Head Office (April 15, 2018)

- A. Payment Certificate No. 13 (summary pages) soft copy in excel without sign and seal,
- B. Summary of Time Extension Request Approval soft copy in word without sign and seal,
- C. Progress Reports (for seven months) in soft copy without sign and seal, Dec. 2013, Nov. 2013, Jan. 2014, Feb. 2014, March. 2014, Apr. 2014, and May2014.
- D. Contract Document including Provisional Sum items, in soft copy without sign and seal.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

Hawassa University Mixed Use Package Projects comprise construction of Multipurpose Hall, Mixed Use and Lecture Class Room Buildings at Hawassa Agriculture Campus and Medical Campus of the University. Initially the PE has made Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C in order to carry out Design, Contract Administration and Supervision for the project under review along with other three buildings as one package. The Contract Agreement was made to the winner of the Consultant for the advertised package as a whole including extra five buildings out of the project under review. However, the Works Contract was entered into a Contract with the successful Contractor only for the project under review namely, Multipurpose Hall, Mixed Use and Lecture Class Room Buildings and by excluding the other five buildings from the package.

The Consultancy Service Contract Agreement was made with Zeleke Belay Architect PLC on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The PE has also made Contract Agreement with Zamra Construction PLC on September 09, 2013 for Construction Works after making Bid Advertisement on April 27, 2013. The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price Works Contract is 148,297,184.30 Birr (including VAT).

The Construction Works of the project are completed on 16th day of February 2017 and a provisional acceptance has already been made on this date in the presence of representatives of PE, Consultant and Contractor.

3.2 Scope of the Project

The scope of the project is to enhance the University's teaching and learning process by increasing other extra structure besides the existing ones.

3.3 Socio Economic Benefits (Purpose) of the Project

It is expected that the implementation of the building Project will bring a number of significant social and economic benefits, for example, employment opportunities and income benefits for the local people. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like feasibility study, and/or lack of relevant information from PE's office.

3.4 Undesired Impacts of the Project

It is also expected that construction and operation of the building will cause some impacts on the natural environment and local communities. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like EIA, and/or lack of relevant information from PE's office.

3.5 Source of Funding and Project Cost

There is no information available for source of funding and overall cost of the project. However, the information for project cost is partly made available for Consultancy Service and Works Contracts. The Contract Price for the Works Contract is 148,297,184.30 Birr (including VAT). The overall Contract

Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design Services and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration Services.

3.6 Project Duration

No information is available for the overall duration of the project. However, as per the available documents, the PE has made the Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C. the Contract period agreed to complete the whole of the works for Works Contract was 730 Calendar days and intended to be completed on 05th October 2015.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN, CONTRACT ADMINISTRATION & SUPERVISION SERVICES

4.1 Disclosure of Procurement Information

This report Discloses Partial Procurement Information in reference with the available Consultancy Service Contract Agreement Document available from PE. For complete disclosure it is required additional relevant information from PE. The main source of information required for complete disclosure but unavailable from PE office is Tender Evaluation Report.

4.1.1 Overview of the Procurement Process

The process of procurement of Consultancy Service requires the PE to undertake a numbers tasks as per the Government rules and regulation of procurement starting from Bid advertisement to Contract Award. In the absence information, especially Tender Evaluation Report, however, the performance the PE on the procurement process couldn't be reviewed accordingly.

4.1.2 Verification of the Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

In reference with the available information from PE, twenty lists of information are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. On the other hand, the following nine (9) lists of key information required for carrying out assurance process couldn't be disclosed due to accessibility problem of Tender Evaluation Report and other relevant documents.

- 1) Floating period of the procurement notice,
- 2) Method of procurement,
- 3) Type of Procurement,
- 4) Procurement procedure,
- 5) Type & Amount of bid security,
- 6) Content of any complaint lodged,
- 7) Engineer's estimate,
- 8) Date of bid opening,
- 9) Number of bidders: Participated, rejected and declined to submit.

4.1.2.2 Accuracy of the Disclosed Procurement Information

Out of twenty lists of Procurement Information disclosed on CoST Standard Disclosure Template Eleven (11) of them are referred from available secondary source, which is from **Consultancy Service Contract Document**. The accuracy Procurement Information disclosed from secondary source couldn't be checked from their original sources due to unavailability of relevant documents, specifically Tender Evaluation Report.

Table 4.1: Lists of Information Disclosed from Secondary Sources

Item No.	Lists of Information	Source Document
1	Media used for procurement notice	
2	Date of procurement notice	

3	Evaluation criteria	Consultancy Service Contract Agreement Document
4	Contract Title	
5	Contract Scope	
6	Contract security type and amount	
7	Description of contract & Contract components	
8	Awarded firm/contracting firm	
9	Award Price	
10	Contract Duration	
11	Intended completion date	

4.1.3 Analysis of the Disclosed Procurement Information

The lists of information disclosed on CoST Standard Disclosure Template are mainly used for information purpose. The lists of information are disclosed in reference with secondary source and also without checking their accuracy from their original sources. The key lists of information required for analysis purpose couldn't be disclosed on CoST Standard Disclosure Template due to accessibility problem of relevant documents. As a result of such situations, the overall Assurance process of Procurement of Consultancy Service couldn't be analyzed in detail with respect to the following issues:

- 4.1.3.1 Compliance of the Procurement Process with Rules of Advertisement**
- 4.1.3.2 Efficiency of the Procurement Process (Timeliness)**
- 4.1.3.3 Fairness of the Procurement Rules On Participation**
- 4.1.3.4 Transparency of the Tender Evaluation Process**
- 4.1.3.5 Objectivity the Tender Evaluation and the Award Criteria**
- 4.1.3.6 Competitiveness of the Award Price**
- 4.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost**

4.2 Disclosure of Contract Information

4.2.1 Overview of the Contract

Zelege Belay Architect PLC has entered into a Consultancy Service Contract Agreement with Hawassa University on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The Consultancy Service Contract includes Design, Contract Administration and Supervision for the following projects:

Table 4.2: List of Projects for Design and Supervision Service Contracts

Administration Office with landscaping	At main campus
Central Store /Warehouse/	At main campus
Central Garage	At main campus
Library	At Wondogenet
Student Cafeteria	At Wondogenet
Multipurpose Hall	At M & HSC
Lecture Theatre	At M & HSC

Multipurpose Building	At ACA
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The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price also includes the Consultancy Service of extra five buildings out of the scope of the project under review, namely, Administration Office, Central Store, Central Garage, Library and Student Cafeteria Buildings.

4.2.2 Verification of the Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

The PE has made available copy of signed and sealed **Contract Document** agreed for carrying out the Consultancy services of the project. Other than this document, no information is available both from PE and Consultant Office. Therefore, this Contract Document is used as the only source for the disclosure of Consultancy Contract information in this report.

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Service Contract. The information listed on the Standard Disclosure requires to access on relevant documents made for implementation of the Contract for the Project. The available document of the Contract Agreement has little to disclose the required information. Therefore, almost all the lists of Contract Information couldn't be disclosed as per the required Standard Disclosure Template. The main source of information required for this task but unavailable from PE as well as Consultant office are the following:

- 1) Total payment effected until date of this report disclosure,
- 2) Changes to Contracts (price, duration, scope, etc.) during implementation,
- 3) Claims requested and approved,
- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports,
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion.

In the absence of the above list of documents, the assurance process of Contract Information couldn't be discussed with respect to the following issues:

4.2.2.2 Accuracy of the Disclosed Contract Information

- Source documents used for verification
- Observed information variance
- Explanation of PE for the variance
- AP's conclusion on the variance

4.2.3 Analysis of the Disclosed Contract Information

4.2.3.1 Issues Related to Contract Price

- Changes as compared to the original contract price
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.2 Issues Related to Contract Duration

- Changes of contract duration as compared to the original contract duration?
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.3 Issues Related to Contract Scope

- Changes of contract scope as compared to the original contract scope
- Justification of Changes
- Brief Explanation for Unjustified Changes

5. DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR WORKS CONTRACT

5.1 Disclosure of Procurement Information

5.1.1 Overview of the Procurement Process

The procurement notice of invitation for the bid was published on the Ethiopian Herald on April 27, 2013. Pursuant to the notice of invitation, the Technical Evaluation has been carried out for three (3) applicants (see Table 5.1 below) as per their submitted qualification applications and financial offers in separate sealed envelopes before/on May 17, 2013, 2:00 PM.

NOTE: The number and name of Bidders who collected the tender documents couldn't be disclosed in this report due to lack of information from PE.

Table 5.1: List of Applicants participated on the Works Contract Bid

Item No.	Applicants	Country of Registration
1	F E Construction	Ethiopia
2	Zamra Construction PLC	Ethiopia
3	MIDROC Ethiopia Construction PLC	Ethiopia
	Total	3

The selection criterion for the highest score of the firm was based on the aggregate score results of 50% technical proposal & 50% financial proposal. The evaluation was carried out in two stage procedures, namely, Post Qualification & Financial Bid Evaluation.

The evaluation process for Post Qualification has been carried out by assigned representatives of PE along with University's Consultant Organization. The assigned evaluation committee has recommended for approval to the PE's concerned office on 26/09/05 E.C that the two bidders listed in Table 5.2 below to be post-qualified and their Financial Bids to be opened.

Table 5.2: List of Applicants qualified for Financial Evaluation

Item No.	Applicants	Country of Registration
1	Zamra Construction PLC	Ethiopia
2	MIDROC Ethiopia Construction PLC	Ethiopia
	Total	2

The recommendation document has been reviewed by Procurement Approval Committee of the PE and finally get approval to open the two bidder's financial offer.

Accordingly, the PE has opened the financial offer of the two bidders on 06/10/2005.

As a result of the valuation Zamra Construction PLC became the successful winner of the bid. The Procurement Approval Committee has approved the evaluation result on 19/11/05 and decided to enter into contract agreement with an amount of 148,297,184.30 Birr (including VAT).

Finally, the PE has made Contract Agreement with Zamra Construction PLC on September 09, 2013 after forwarding Letter of Acceptance on 29/12/05 E.C.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The PE has made available the Tender Evaluation Reports without having attached on it the detail evaluation documents carried out for technical and financial proposals. Based on the available document, most of the Procurement Information, except four, are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. The following lists of information couldn't be disclosed due to accessibility problem of documents from PE and/or Consulting Office.

- ✚ Engineer's Estimate,
- ✚ Lists of bidders collected the Bid Document,
- ✚ Content of any complaint lodged,
- ✚ Price per sq. meters of the project.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The lists of information disclosed on the Standard Template are made in reference with copies of primary source documents. however, information with respect to the results of technical and financial proposals couldn't be checked with their detail evaluation documents due to the accessibility problem of Technical Proposal Evaluation Report and Bid documents.

5.1.3 Analysis of the Disclosed Procurement Information

5.1.3.1 Compliance of the Procurement Process with Rules of Advertisement

Media of Bid Advertisement: The Bid was openly advertised on the Ethiopian Herald which is widely known newspaper in Ethiopia so that the dissemination of information to participate all national qualified contractors on the bid. The Media used for Bid Advertisement has also complied with Article 16.2/1 of the Federal Public Procurement Directive (2010).

Bid Floating Period: The date of procurement notice of the bid was on April 27, 2013 and the deadline for bid submission was on May 17, 2013. Therefore, the floating period of the Bid would be 20 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010) the minimum bid period shall be 30 days for National Competitive Bid.

The Floating Period of the Bid was too short and less in 10 days from the minimum requirement period of the Procurement Directive (2010).

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

The evaluation of the Technical Proposal has been completed on 26/09/05 after 44 days from the date of Bid Submission, 19/08/05. The period of evaluation of the Technical Proposal was too long compared to the total 60 days of Bid Validity Period described on the Bid Document, ITB 15.1 of Bid Data Sheet.

On the other hand, the PE has opened the financial offer on 06/10/2005, after having a delay of 10 days from the completion date of evaluation of the Technical Proposal. The approval on evaluation of the financial offer was made on 19/11/05. The Date of contract signing was on September 09, 2013.

The overall procurement process of the Bid has almost taken three and half months of period in such a way that a one & half months of delay was observed from the expected schedule of 60 days Bid Validity Period.

5.1.3.3 Fairness of the Procurement Rules On Participation

Submission Problem of Bid Offer: It has been observed that a lesser number of bidders have submitted their qualification applications for the Bid. only three (3) bidders have submitted their qualification applications and financial offers.

There is no document available from PE office to justify the root causes of submission problem of the Bid Offer by the Bidders. However, in reference with the available document, the following issues are analyzed as a potential cause to a possibility on undermining the Bidders from participation.

- **Bid Floating Period Restriction:** Bidders restriction on time for studying of the Bid Document and preparing their qualification Application in proper way,
- **Restriction of the Bid to NCB:** In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

5.1.3.4 Transparency of the Tender Evaluation Process

In reference with the available documents it is observed that the evaluation process of the Technical and financial Proposals has been carried out in procedural way by assigning the Technical Committee for recommendation and Procurement Approval Committee for approval of the recommended results.

However, there transparency of the evaluation couldn't be against requirements due to accessibility problem on those documents. There is no also information available for any claim made on the transparency of the tender evaluation process.

5.1.3.5 Objectivity the Tender Evaluation and the Award Criteria

This part is left unanalyzed due to accessibility problem information of bid document and also detail evaluation report of the technical proposal.

5.1.3.6 Competitiveness of the Award Price

This part is left unanalyzed due to accessibility problem of Engineer's Estimate Document.

5.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

The Mixed Use Package Projects comprise construction of Multipurpose Hall, Mixed Use and Lecture Class Room Buildings at Hawassa Agriculture Campus and Medical Campus of the University. The Original Contract Price is 148,297,184.30 Birr (including VAT). The intended completion period of the whole of the works is 730 calendar days.

5.2 Disclosure of Contract Information

5.2.1 Overview of the Contract

Zamra Construction PLC has started the construction of the Contract Works on 06th day of October, 2013 after handing over the construction site from PE on 20th day of September, 2013. The intended date for

completing the whole of the works was 05th day of October, 2015. However, due to certain reasons the project couldn't be completed as per the intended completion date.

The construction works has been completed lately and the Provisional Acceptance was taken over on 03rd day of July, 2017 by the order of the consultant and after notification to all concerned parties.

According to the available information of the Consultant, in reference with Provisional Acceptance document, the delay of the Contract has been justified and no penalty is given to the Contract for the delays beyond the intended completion date. There is no document available from the Consultant for the detail evaluation of the delay justification. Moreover, there is no clear information to changes made with respect to scope and cost from the original Contract.

5.2.2 Verification of the Disclosed Contract Information

5.2.2.1 Completeness of the Disclosed Contract Information

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Works Contract. The information listed on the Standard Disclosure requires to access a number relevant documents made for implementation of the Contract for the Project. The main source of information required for this task but unavailable from PE as well as Consultant office are documents related to the following issues:

- 1) Changes to Contracts (price, duration, scope, etc..) during implementation,
- 2) Claims requested and approved,
- 3) Warranty, Bonds and Securities, (including renewed documents),
- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports, (partly collected from Consultant in soft copy),
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion.

Contract Agreement Document (excluding price BOQ), Provisional Acceptance Document and Partial Progress Reports are the only available documents used for disclosure of Contract Information. The respective available documents have little information for the disclosure so that only 6 out of 14 lists of information are disclosed on Standard Disclosure Template.

5.2.2.2 Accuracy of the Disclosed Contract Information

The four lists of information disclosed on Standard Disclosure Template are referred from the primary Source of documents except one. The information for the justification of delay of the contract, however, is not checked with the approved detail evaluation results due to unavailability of relevant documents.

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

This part is left unanalyzed due to accessibility problem of information for changes to Contract Price.

However, in reference with the available document of IPC no. 13, it is identified that payment has been certified for the new items of works which are out of the original contract agreement. The new work items include but not limited to the following:

Table 5.3: New Items of Work Included on IPC No.13

Item No.	Description of new work item	Location	Amount certified (in Birr)
1	Backfill	Mixed Use Building; under Compound Site Work	67,554.30
2	Hard core	Mixed Use Building; under Compound Site Work	330,174.60
3	C-25 Ground Slab	Mixed Use Building; under Compound Site Work	273,434.40
4	Shear Wall	Mixed Use Building; under Compound Site Work	14,003.30
5	Formwork Grade beam	Mixed Use Building; under Compound Site Work	63,793.00
6	Formwork Suspended Slab	Mixed Use Building; under Compound Site Work	22,638.10
7	Formwork Elevation column	Mixed Use Building; under Compound Site Work	4,850.40
8	Rebar Dia. 8	Mixed Use Building; under Compound Site Work	210,759.80
9	Rebar Dia. 10	Mixed Use Building; under Compound Site Work	1,034.20
10	Rebar Dia. 12	Mixed Use Building; under Compound Site Work	5,747.50
11	Rebar Dia. 16	Mixed Use Building; under Compound Site Work	11,386.10
12	Plastering	Mixed Use Building; under Compound Site Work	5,003.00
Total			1,010,378.70

The Consultant as well the PE has been requested by the letter from CoST – Ethiopia to provide information about the changes made on the Original Contract Price. However, no information was available from both sides for the above new items of work. payments have already done for the above new items of work however no evidence is available to those changes whether being followed formal procedure in accordance with Clause 39.1 of the GCC described in the Contract Agreement on provision to the contractor, evaluation of the consultant and approval by the PE.

In accordance with Clause 39.1 of the GCC it is stated that

‘no such variation shall be done by the contractor without an order in writing of the Engineer’.

For any variation to be made the order of the Engineer shall be in writing and a separate document containing addition of new work items and omission of contract work items, if any, will be issued to the Contractor to fix his price for approval. The Engineer then evaluates the fixed prices and approve or forward to the PE as per the requirements of Clause 39.1 of the GCC.

In reference with IPC No. 16 document, the certification of payment made for new work items are not followed the procedures stated on Clause 39.1 of the GCC. The new work items are distributed in different places of building blocks and organized as per their respective work packages. It indicates that the procedure of provision of change orders, evaluation and approval processes are done without following the requirements of Clause 39.1 of the GCC. Even if such informal procedure exists, the transparency of Engineer's evaluation performed on those new work items could not be further justified in this report due to accessibility problem of information.

5.2.3.2 Issues Related to Contract Duration

The construction of the project was planned to be completed within 730 calendar days. The start date of the construction work was on 06th October 2013 and intended to be completion on 05th October 2015. However, the actual completion date of the whole of the works was made on 16th February 2017. This indicates that the completion of the project has shown a significant delay by more than one year and four months from the intended period of time.

The delay of the construction work was extremely too high which is believed to be resulted from a number of several reasons in the course of construction period. The administration of the contract in relation to such kinds of changes to duration wouldn't be simple and requires close follow up and timely solution at every occurrence of delay during construction period. The consulting firm administrating the contract is expected to review, analyze, justify of contractor's submittals of the delay on each time of occurrence so that proper documentation shall be made on final approval documents of the client.

Even if the delay is too high there is no single document available from the client as well as from the consulting office to make assurance for the delay in this report. Therefore, this part is left unanalyzed due to accessibility problem of information for changes to Contract Duration. However, in reference with the Provisional Acceptance Document, no penalty is carried out for the delays of the Contract beyond the intended completion dated are justified.

5.2.3.3 Issues Related to Contract Scope

This part is also left unanalyzed due to accessibility problem of information for changes to Contract Scope. However, in reference to IPC No. 13, there are addition of new work item beyond the contract scope as listed on Table 5.2 above.

6. CONCLUSION AND RECOMMENDATION TO THE MSG

6.1 Conclusion

The disclosure and assurance process of the project is carried out in the absence of key information so that a complete report couldn't be produced specifically on the main concerns of implementation of the Contract both for Works and Consultancy Services. However, as per the available information collected from PE and Consultant office, appreciable findings and causes of concern are identified.

The inefficiency of the PE on handling of Project Information is the main finding observed in this report. The required information relevant to the project couldn't be easily accessed and even there is no proper well-known place of documentation specifically assigned by the PE for handling of project information. In compliance with the requirements of article 32 of the PPA Directive, the PE is expected to properly maintain procurement information to facilitate easily access at the time of request.

The other finding of the assurance process is that the Works Contract has been procured under low completion so that there would be a probability to occurrence to subject the project with high Contract Price. The project is large and complex however the type of Procurement advertised for the bid was NCB. Only three bidders have submitted their qualifications. On the other hand, the bid floating period is restricted to 20 days for the respective complex project which could be one of the reasons for the problem of bid submission. It can be concluded that the type of Procurement, NCB, and limitation of bid floating period could be the main factor of low competition which the PE shall draw its attention for future improvement.

The third key finding is the problem observed on the approval process of variations. No document is available with respect to variations however, in reference with IPC No. 16 document, it is observed that the procedure of provision of change orders, evaluation and approval processes are carried out without following the requirements of Clause 39.1 of the GCC. The transparency of approval of variations could not be analyzed due to such circumstances.

6.2 Issues Recommended for Further Review

In this report a complete disclosure and quality assurance process could not be carried out for the project due to accessibility problem of project information both from the client and the Consultant. The availability of complete project information is vital. Therefore the MSG main focus shall be drawn on acquiring the required project information as much as possible before starting of the assurance process.

7. Project and Contract Information Disclosure Template

DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	April 12, 2018		
	Contract title	Mixed Use Package Projects	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Location	Agriculture and Referral Campuses of the University	Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Procuring entity	Hawassa University		
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21		
	Date of procurement notice	April 27, 2013	DNA	
	Floating period of the procurement notice	20 Cal. days	DNA	
	Media used for procurement notice	The Ethiopian Herald	DNA	
	Method of procurement	Open bidding	DNA	
	Type of Procurement	NCB	DNA	
	Procurement procedure	Two stage bidding	DNA	
	Evaluation criteria	QCBS	DNA	

	Type of contract	Unit Price Design-Bid-Build	Lump Sum
	Type & Amount of bid security	Certified Cheque or Bank Guarantee of amount 300,000 Birr	DNA
	Content of any complaint lodged	DNA	DNA
	Engineer's estimate	DNA	DNA
	Date of bid opening	May 17, 2013	DNA
	Number of bidders: Participated, rejected and declined to submit	Participated: 3 Rejected: 1 Declined to Submit: DNA	DNA
	Awarded firm/contracting firm	Zamra Construction	Zelege Belay Architect PLC
	Date of contract award	29/12/05 E.C.	30/08/04 E.C
	Award price/original contract price	148,297,184.30 Birr (including VAT)	2,102,243.00 Birr and 105,112.00 Birr for monthly Construction Supervision and Contract Administration
	Unit Contract price (price/km, price/sq. meter)	DNA	NA
	Contract security type and amount	10% of Contract Price in the form of Insurance Bond	
	Date of contract signing	September 09, 2013	May 21, 2012

	Contract scope	Construction of Multipurpose hall, Mixed use and Lecture Class room Buildings	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Description of contract & Contract components	In addition to the scope of the contract, the Contractor shall provide to the Engineer's Representative Office, Office Equipment and Furniture, Transport and Utilities.	Building Design, Contract Administration and Supervision	
	Contract administration entity	Zelege Belay Architect PLC	Hawassa University	
	Contract duration	730 Calendar days	90 days	
	Contract start date	06 th October 2013	May 21, 2012	06 th October 2013
	Intended completion date	05 th October 2015		After the end of the construction
	Contract status (ongoing (% progress), terminated, completed)	Completed	Completed	Ongoing
	completion date (Revised)	16 th February 2017	DNA	DNA
	Changes to contract duration with Reason	497 Cal. Days; DNA for reasons of delay	DNA	DNA

CONTRACT IMPLEMENTATION & COMPLETION (14 ITEMS)				
	Amount of Liquidated Damage if applied (Penalty for delay)	No penalty	DNA	DNA
	Contract price (Revised)	155,804,702.19 (with VAT)	DNA	DNA
	Changes to contract price with reason	7,507,517.89 (with VAT) Supplementary Contract Agreement for the construction of Surgical (OR) operation room, Pedestrian Bridge and Public Toilet.	DNA	DNA
	Scope at completion			
	Changes to contract scope with reason			
	Total payment effected	102,509,181.27 Birr (including VAT) until May 18, 2017 (IPC 13)	DNA	DNA
	warranty type and description	DNA		
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

Note:

NA – Note Applicable

DNA – Documents not Available

DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)

PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of disclosure	April 12, 2018
	Project owner	Hawassa University
	Project name	Mixed use Package Projects
	Sector, subsector	Building project
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21
	Project Location	Agriculture and Referral Campuses of the University
	Purpose	To enhance the University's teaching and learning process
	Project description	Design and Construction of Multipurpose hall, Mixed use and Lecture Class room Buildings
	Original Project Scope	
	Project Components	Design, Supervision and contract administration, Construction
	Environmental impact	DNA
	land & settlement impact	DNA
	Estimated budget of the project with breakdown of components	DNA
	Funding sources	
	Project budget approval date	DNA
	Project start date (planned, actual)	
	Planned/ Original duration for completing the whole project	
	Planned/Original cost of the project	DNA

PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	DNA
	changes of project cost with reason	
	Project completion date (Revised)	
	Actual duration for completing the whole project	
	changes of project duration with reason	
	Project Scope at completion	
	changes of project scope with reason	
	Reference to documents for disclosure upon request (reactive disclosure)	✚ Minutes of Meetings for Technical and Financial Evaluation Report – Construction works; ✚ Signed Contract Agreement – Construction works; ✚ Signed Contract Agreement – Construction Design and Supervision; ✚ Certificate of Payment No. 16 Document – Construction works; ✚ Signed Provisional Acceptance Document – Construction works; ✚ Signed Supplementary Contract Agreement – Construction works;

Note:

NA – Note Applicable

DNA – Documents not Available