Construction Project of National Stadium in Addis Ababa

OCTOBER 2019
ASSURANCE PROFESSIONAL: ASMEROM TADESSE
Addis Ababa, Ethiopia

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ACRONYMS/ ABBREVIATIONS

AP	-	Assurance Professional
CoST	-	Construction Sector Transparency Initiative
EOI	-	Expression of Interest
EOT	-	Extension of Time
ETB	-	Ethiopian Birr
FDRE	-	Federal Democratic Republic of Ethiopia
FIFA	-	Fédération Internationale de Football Association
FPPAA	-	Federal Public Procurement and Property Administration Agency
FSP	-	Federal Sports Commission
IDS	-	Infrastructure Data Standard
IOC	-	International Olympic Committee
MUDC	-	Ministry of Urban Development and Construction
NMSGEC	-	National Multi-Stakeholder Group Executive Committee
PE	-	Procuring Entity
PLC	-	Private Limited Company
RFP	-	Request for Proposal
USD	-	United States Dollar
VAT	-	Value Added Tax
VfM	-	Value for Money
VO	-	Variation Order

EXECUTIVE SUMMARY

Infrastructure Transparency Initiative - Ethiopia (CoST - Ethiopia) is a country-centered initiative to improve the value for money spent on public infrastructure by increasing transparency and accountability in the delivery of public financed construction projects.

In its effort to mainstream transparency and accountability, CoST stimulates the disclosure of project information via CoST IDS – a collection of 40 data points that cover the life cycle of projects, from preparation and tender to final execution, helping to identify red flags in project implementation.[1] CoST-Ethiopia also delivers training and follow up mentorship to equip Procuring Entities with the technical knowledge to disclose information according to CoST IDS. As a result of CoST work, a significant number of Procuring Entities now disclose their projects on the website of FPPPAA. Despite this, the Federal Sports Commission – the Procuring Entity in charge of the construction of the National Stadium in Addis Ababa – has not proactively disclosed any information of the selected project and hence was requested to avail the project documents in June 2019. The request of disclosure included the following one:

1) SERVICE CONTRACT: Consultancy services for design, supervision and contract administration, and
2) WORK CONTRACT: construction of National Stadium in Addis Ababa.

The completeness of disclosed information on the overall project amounts to 58.7% with the contract phase disclosure accounting for the major observed deficiency. Moreover, the Procuring Entity has managed to avail only 30% of the 23 project documents that the Assurance Professional requested at the early stage of the assurance process.

Main findings of the analysis are the following:

The Procuring entity has not made available project documents vital to understand the tender process adopted in the procurement of both the consultancy service and the construction wok thus deterred the Assurance Professional to make informed judgment on the tender processes.

No project document has been made available to assess the performance of Phase I of the consultancy services in terms of the changes and justifications of changes observed in light of contract price, duration and scope.

From the recent consultancy services payment certificate (*No 42 - for supervision service of the month of June 2019 dated on 01/07/2019*), it is learnt that as of July 01, 2019 the total value of services delivered by the consultant amounts to ETB 9,531,171.47 (USD 332,015.59) and USD

[1] For information about CoST IDS see http://infrastructuretransparency.org/resource/977/

460,849.56. It is learnt that no major changes are observed with regard to the time-based service contract price of the consultancy service.

As of June 21, 2019, 80.3% of the original contract price of the main stadium amounting ETB 1,932,337,046.60 (USD 67,312,399.30) including VAT) was paid to the contractor for the executed works and supplied materials, among which ETB 63,295,156.01 (USD 2,204,868.36) - 3.8% - was an adjustment for price escalation of major construction inputs.

The original commencement and intended completion dates were on 19/02/2016 and 23/06/2018, respectively, of which the latter was revised to be on December 26, 2018 due to time extension that pushed forward the intended completion date by 191 Calendar days. As of 30th of June 2019, 141.9% of the contract period (1,277 Calendar days) has been elapsed thus showing a "behind schedule" condition with a time overrun of 41.9%. It is noted that the project documents have not justified the root causes for significant changes observed in the contract duration.

The project experienced significant scope changes which are attributed to over-quantification of work quantities in the main contract agreement, indicating the lack of an accurate planning stage. It is, however, noted that the project documents have not justified the root causes of the additions and omissions reflected in the variation orders and supplementary agreements. A key recommendation made to the Procuring Entity is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variation orders and supplementary agreements) are available for public consultation. A list of questions was formulated to obtain specific clarification from the Procuring Entity in relation to following:

1. The invitation communicated to consulting firms for the Architectural Design Competition of national stadium project did not include the evaluation methodology,
2. Why the service contract was not entrusted to the winner of architectural design competition?
3. When and how phase I of the service contract agreement was completed?
4. How the procurement of service and work contracts were procured?
5. The discrepancy in contract work quantities that are specified in the payment certificate and progress report for the month's June 2019.
6. Whether the subcontracting provisions stipulated in the contract are enforced or not?

Note: An exchange rate of USD to Birr (1 USD = 28.707 Birr) is made using the rate at the time of the report writing, June 2019

1. INTRODUCTION

1.1 Background

Infrastructure Transparency Initiative - Ethiopia (CoST - Ethiopia) is a country- centered initiative to improve the value for money spent on public infrastructure by increasing transparency and accountability in the delivery of public 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.

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 32 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 (FPPPAA) for the disclosure of Infrastructure Data Standard by the respective PE.

Following the above stated training, mentorship and follow up services during the last assurance cycle, significant number of PEs had attempted to disclose the IDS of the sample projects using the template posted on the website of FPPPAA. Despite this, the Federal Sport Commission has not disclosed information and only availed (reactively) project documents on the implementation process of an ongoing National Stadium Construction Project in Addis Ababa.

The National Multi-Stakeholder Group Executive Committee (NMSG - EC) of CoST-Ethiopia has employed an Assurance Professional to undertake collection, verification, analysis and interpretation activities so that the information released by Federal Sport Commission 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 the implementation process of an ongoing National Stadium Construction Project in Addis Ababa.

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 collect the project information from the documents made available by the Procuring Entity (PE),

2. To verify the accuracy and completeness of IDS disclosures by the PE,
3. To analyse disclosed and verified data in order to make informed judgements about the cost, time and scope aspects of the Project, and
4. 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 the Project.

1.3 Challenges of the assurance process

In the course of the assurance process, the PE has been cooperative and it can be said that no major challenges have been faced except the failure to avail some project documents. Annex 1 summarizes the list of documents that the AP requested and availed by the PE.

2. COMPLETENESS OF DISCLOSED INFORMATION

2.1 Information rate – reactive disclosure

As shown in figure 1, the overall disclosure of procurement and implementation / completion information in pertinence to the service and work contracts can be assessed as follows:

- No information is disclosed about the design completion,
- Nearly 40% of the procurement information related to service and work contracts are not disclosed,
- With regard to contracts under the project, the Procuring Entity has disclosed only 55% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

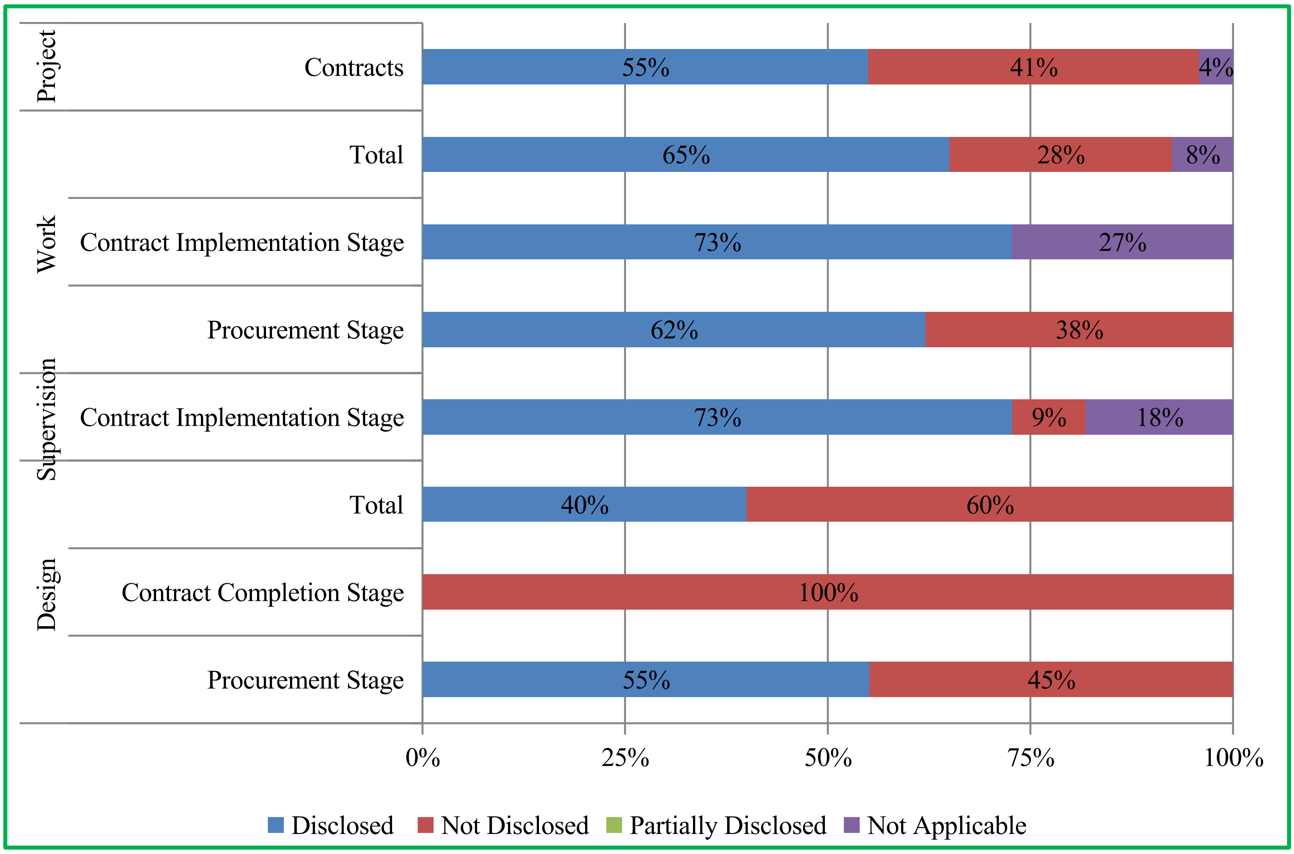

Figure 1: Summary of disclosed information completeness for contracts

The Procuring Entity has disclosed 83.3% and 55% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia with regard to Project Identification and contract phases, respectively. In general, as shown in figure 2, the completeness of disclosed information on the overall project amounts to 58.7% with the contract phase disclosure accounts for the major observed deficiency.

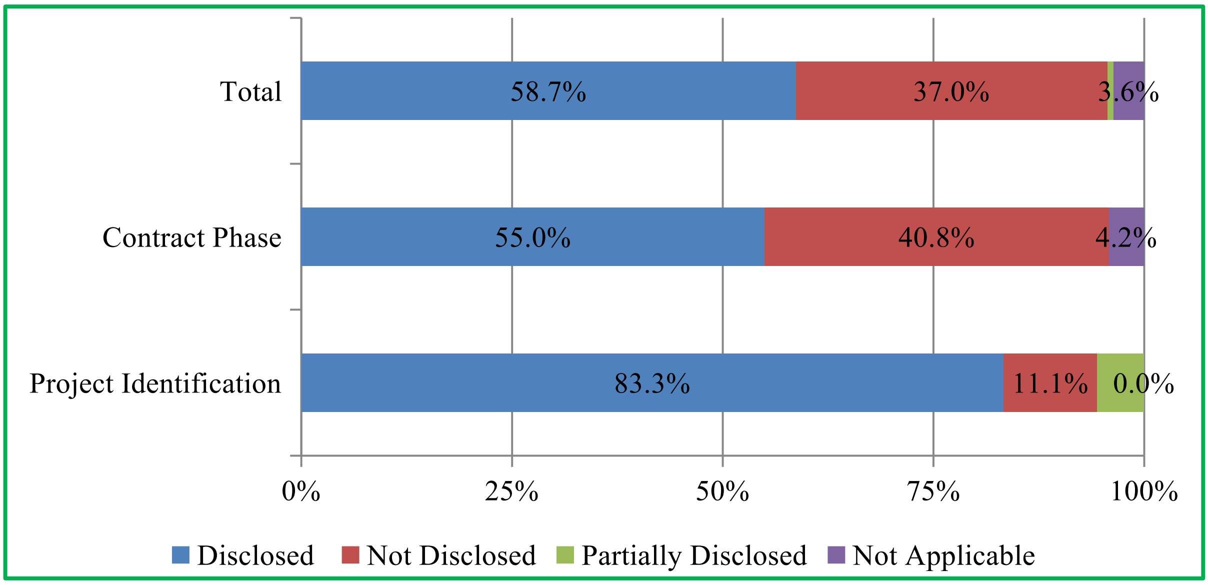

Figure 2: Summary of disclosed information completeness on the overall project

2.2 Project documents availability rate

As can be seen in figure 3, the Procuring Entity has managed to avail only 30% of the 23 project documents that the Assurance Professional requested for at the early stage of the assurance process.

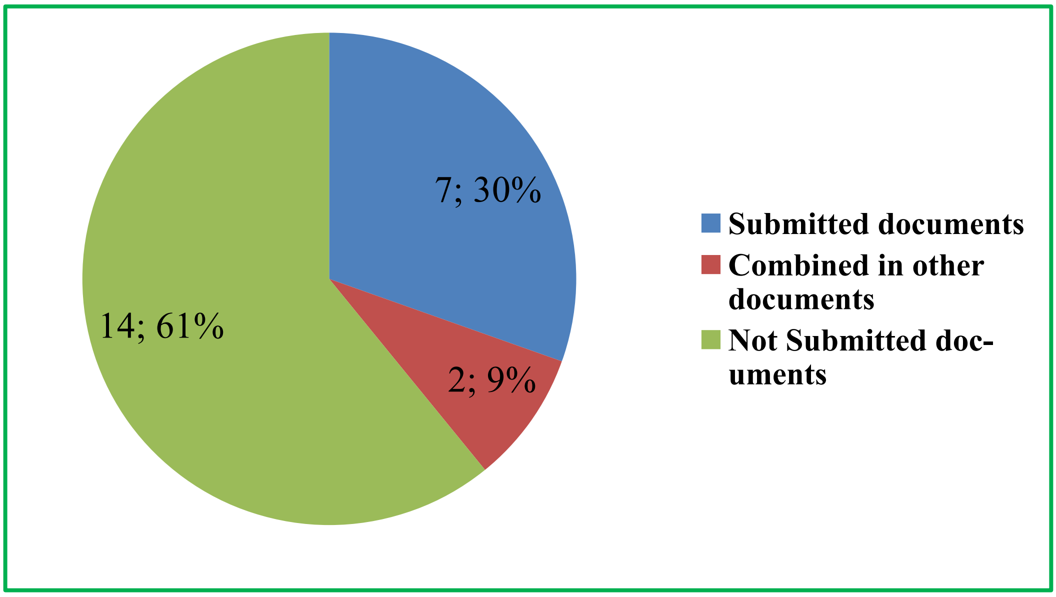

Figure 3: Availability/Submission rate of requested project documents

3. DISCLOSURE OF PROJECT INFORMATION

The Federal Sport Commission of Ethiopia, as part of the National Growth and Transformation Plan, has planned to construct a 60,000 seat international standards stadium to be able to meet the ever growing need for such facility to host national and international games. In a long run, the sport commission also aims to develop a complete sport village that can guarantee the renaissance of all types of sports and related activities in the country.

The project is located on a site along the ring road midway from Bole International Airport to Imperial Hotel. The Sport Commission intends to use this plot for the National Stadium and Sport Village Project. The stadium will be designed to meet the standards required for a National Football League ("NFL") franchise as well as other programmatic uses consistent with other multipurpose domed facilities.

The implementation process of an ongoing National Stadium Construction Project in Addis Ababa 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 stated project:

i. SERVICE CONTRACT: Consultancy services for the detailed engineering design, supervision and contract administration of National Stadium in Addis Ababa; and
ii. WORK CONTRACT: construction of National Stadium Complex at Addis Ababa.

Table 1: Overview of project identification

Project identification variable	Description
Project location	On a site along the ring road midway from Bole International Airport to Imperial Hotel, Bole sub city, Addis Ababa
Original project scope	Olympic size field and track stadium with the following spectators' seats capacity – For soccer tournaments and athletics track and field – 60,000 fixed seats
Purpose of the project	To construct an international standard stadium which is sufficient enough to answer the ever growing need for such facility to host national and international games
Source of funding	The government FDRE
Original project cost (inclusive of 15% VAT)	– Service contract: ▪ Architectural Design Competition Fees: 679,000.00 ▪ Design fee: ETB 12,395,447.50 (USD[2] 431,809.23) and 623,070.00 USD ▪ Supervision and contract administration fee: ETB 396,903.33 (USD 13,826.03) and USD 11,126.25 / month – Work contract - ETB 1.5 to 1.8 Billion (USD 52.25 to 62.7 Million)
Original project duration	– Service contract: ▪ Design service : • for the main stadium design such as (Architectural, Structural, Sanitary installation and electrical installation (general lighting and power supply) including bill of quantities: four and half months after signing of the contract • for roof, landscape, road, site work, communication system and security system design including bill of quantities: six months after signing of the contract ▪ Supervision and contract administration service: until the completion of construction works and provisional acceptance of the whole works – Work contract - 900 Calendar days

[2] The bracketed currency values (USD) shown throughout the report are the equivalent of the local currency (ETB) converted at the average exchange rate (1USD= 28.707 ETB) prevailed at the time of writing this report (June 2019).

4. IMPLEMENTATION PROCESS OF NATIONAL STADIUM MODEL DESIGN PREPARATION

The order in which a series of events that happened in relation to the preparation of National Stadium Model Design are presented in table 2. The total area of the Sports Village plot is 60 hectares. Part of the area will be used for the National Stadium. There is also an existing sports academy (under construction) within this plot.

Table 2: Chronology of major events in model design preparation

Date	Event
28/03/2005	Title deed certificate was issued on 28/03/2005 by AA City Administration Land Administration Authority on lease basis, land use - sport center, total area: 676, 687m^2
09/05/2011	City Government of Addis Ababa with introductory statement that no land shall be left vacant without any development for more than 18 months, had reminded the FDRE Sport Commission that the land designated for Sports Village during the previous regime had been left undeveloped and reminded the commission that the land would be allocated to other development unless • A standard fence is constructed until July 07, 2011 • The whole construction design is prepared and approved prior to the end of 2011
07/07/2011	Sport commission to Ministry of Urban development and Construction • Mentioned that the commission intended to conduct feasibility and design works and the necessary budget is allocated • requested the latter for technical assistance and assignment of personnel for the preparatory works needed to procure the service consultancy services
07/02/2012	MUDC notified FSC that the preparation of ToR is on finalization and an invitation to expression of interest is communicated to twenty (20) Grade 1 Consulting firms
01/02/2012	MUDC extended an invitation to EOI to 20 Grade 1 Consulting firms for Architectural Design Competition of national stadium project
16/02/2012	Deadline for EOI submission
22/02/2012 to 16/03/2012	Registration of participants and distribution of terms of reference
27/02/2012	Beginning of presentation of queries
04/05/2012	Deadline for receipt of queries
Every week until 11/05/2012	Distribution of questions and answers compilation
22/05/2012	First day for receipt of entrants' works
25/05/2012	Deadline for receipt of entrants' works
12/06/2012	Public announcement of the jury results was done at Sheraton Addis
13-20/06/2012	The works were exhibited in Addis Ababa Stadium to collect public opinion
28/02/2012	FSP informed MUDC that the seat capacity originally specified in an invitation to EOI as 80,000 should be changed to 60,000 with consideration that the stadium will be able to host international games in the coming 10 years and most of the countries have stadium of such sizes
11/06/2012	MUDC sent a completion report on National Stadium Design Competition to Federal Sport Commission and later on 21/6/2004 notified FSC the cost items related to design competition tabulated in Annex 3.
09/11/2012	While enclosing a report documenting the implementation process of National Stadium Model Design Preparation and having described the process, the FSP through a letter addressed to the Prime Minister's Office pointed out that the both the government's decisions and budget support are needed to proceed with the next tasks of preliminary design and design for execution on the basis of winning design model as per the design competition

The architectural design competition was sponsored by Federal Sports Commission and MUDC, having represented the sponsor, has served in administering the competition as the Secretariat.

The request for EoI contained the following information:

- The firms were requested to fill the firm's submission form and submit EoI within 15 Calendar days starting from the date of announcement
- The Federal sport commission with the MUDC are sponsoring an architectural design competition for an 80,000 seat National Stadium planned to be constructed in Addis Ababa as well as the master plan for the immediate environs of the Stadium. The project will be a state of the art National Stadium which is expected to fulfill international standards. The commission is in possession of 676687m^2 of land for this project.
- Interested Category I Consultants with renewed license for the year 2004 EC are required to collect Firm Profile form from MUDC to be filled and submitted with their EoI. The EoI shall be submitted within 15 Calendar Days from the date of this advertisement/
- Local firms shall form consortium with foreign firms (the local firm being the lead consultant) and/or include certified expatriate professionals in their team composition.
- The sponsor may allocate foreign currency of up to 30% of the consultancy fee which may be affected in proportion to the input from expatriate professionals.
- All enquires shall be addressed to the competition secretariat located at MUDC

The highlights of major information contained in the Terms of Reference for the Architectural Design Competition includes the following:

- Name of competition: National Stadium and Sports Village Architectural Design Competition
- <u>Form of the competition</u>: This is an anonymous single stage Architectural Design Competition open to local Category I firms who have expressed interest to participate and have made available documentation of proven experience in the design of stadiums and related sports facilities equivalent to the intended project by either forming consortium with foreign firms or employing expatriate professionals
- <u>Aim of the competition</u>: To select a design fulfilling the overall requirements of the project and commission the winner may prepare detail design as well as perform supervision and contract administration of the construction as the interest of the government.
- <u>Components of the design competition</u>:
    i) 60,000 seat stadium with all facilities that enable it to host international football games as well as Olympics. A guiding design program checklist and design consideration checklists are attached as index 3 and 4. This checklist can in no way be taken as exhaustive design program and competitors are expected to elaborate them
    ii) Master plan for sports village covering the whole site as indicated on the time deed. Some of the functions that are to be included in the master plan are listed in index 3.
- <u>Anticipated implementation time</u>: The stadium is intended to be constructed within the following three years while the sports village is anticipated to be built in phases.

- Contract with the winning entrant
    i) The sponsor intends to entrust the tasks of preliminary design, design for execution and works supervision concerning the construction of the national stadium and its ancillary facilities to the winning entrant. The winning entrant will also be commissioned to develop final master plan for the Sports Village. Commissioning of Architectural firms for other components of the Sports Village is not part of this competition process and will be determined at successive phases through architectural design competitions.
    ii) Where an entrant is a design consortium, the consortium must obtain accreditation prior to the commencement of the contract procedures.
    iii) The design commission and works supervision commission will be subject to a preliminary determination in accordance with the MoCUD standards, then prescribed procedures followed and the consignment contract monies determined. The winning entrant shall submit technical and financial proposals and when found acceptable by the Sponsor and the relevant federal government institution the entrant will be commissioned. The total consultancy fee including detailed design, for all supervision works and quality control fee may be up to 1.5% of the project cost but the financial proposal has to justify the proposed fee with total man-hour input, methodology and other components of the technical proposal.
    iv) The preliminary design and design for execution shall be carried out after thorough going consultation with the Secretariat and may be amended as a result of such consultation. When there are various changes to circumstances that force significant change upon the preliminary design or design for execution, both parties shall consult and deal with this issue in good faith.
    v) Should it prove impossible, for reasons attributable to the winning entrant, to carry out the preliminary design and/or the design for execution, the sponsor will enter into consultation with the entrant that submitted the runner-up proposal with a view to implementing the runner-up proposal.

- **Project cost/ budget:** Project budget for the National Stadium and its ancillary facilities is ETB 1.5 billion (USD 52.25 Million) to ETB 1.8 billion (USD 62.7 Million). The project budget includes the following items:
    - Work to construct the actual stadium proper and its ancillary facilities,
    - Necessary expenses in technology development,
    - Consultancy fee for preliminary design, design for execution and works supervision

- **Project schedule**
    - 2004-2005: design competition, preliminary design and design for execution,
    - End of 2005: construction commencement
    - End of 2008: construction completion

The name of 12 firms who extended EoI on/before the deadline is provided in Annex 3. From the availed documents it was observed that the representatives of sport commission collected proposals of consultants from 15/09/2004 to 17/09/2004 and handed over to technical committee on 17/09/2004. Out of the 12 firms, only seven firms submitted as per the required submission types comprising drawings, model, design report, documents in soft copies and code identification envelope.

The jury of the **Architectural design competition of National Stadium and sports village** was made up of five professionals whereby an Architect, two (2) Architects, an Architect and a Structural engineer were drawn from MUDC, Association of Ethiopian Architects, EiABC and Private sector, respectively.

The official report of the Jury, released in June 2012, shows that the criteria and methodology adopted for evaluation of the design competition is presented in annex 4. In general it is learnt that the jury members underwent individual assessment and evaluations using the decided criteria of evaluation as well as sat to finalize the adjudication.

As per the ToR for the architectural competition, the Jury finally recommended the rank of order of competitors where their codes are to be disclosed later during the award ceremony. The jury has pointed out the first prize winning proposal to be the best conceptual design and fit for further development and realization.

Table 3: List of winning firms

Rank	Name of firm
1st	JDAW Consulting Architects and Engineers
2nd	MH Engineering PLC - Consulting Engineers and Architects
3rd	Yohannes Abbay Consulting Architects & Engineers
4th	Ultimate Plan PLC- Consulting Architects and Engineers
5th	Geretta Consult PLC- Consulting Architects and Engineers
6th	ZIAS Design International PLC
7th	Shigez Consultancy PLC

5. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE (SERVICE CONTRACT)

5.1 Procurement information and overview of procurement process

In line with the procurement process of the service contract for detailed engineering design, supervision and contract administration of National Stadium in Addis Ababa, the only document made available was the description of services (Terms of Reference) that formed a part of the RFP prepared for the purpose of soliciting proposals from architectural/engineering firms.

From Appendix A - Description of Services (Terms of Reference) and Methodology, one of the documents forming a part of the contract agreement for the consultancy service for the detailed engineering design, supervision and contract administration of National Stadium in Addis Ababa; the following information are extracted:

The Ministry Urban Development and Construction, on behalf of the client (The Federal Sport Commission) issued the Request for Proposals (RFP) for the purpose of soliciting proposals from architectural/engineering firms interested in becoming the lead design service provider and to be responsible for engaging and coordinating an exceptional architectural and engineering design firm (the A/E firm) experienced in the design of multipurpose professional sports and entertainment venues and related facilities.

Section I of the RFP (Purpose of the RFP) stated, among others, that:

- The Agreement for Design Services will be entered into by Sport Commission upon recommendation of both the Architectural Design Competition Jury Report and the Technical/Financial Proposal indicated in this RFP.
- All such recommendations by the jury are subject to approval from the MUDC and the Sport Commission.
- Construction and facility installation of the stadium is anticipated to being in the 3rd quarter of 2013.

The RFP has also highlighted that the scope of services to be provided by the Architectural/Engineering Design Firm (A/E firm) will be divided into the following phases:

- Phase 1: Master planning and concept design, schematic design,
- Phase 2: Design development
- Phases (3-5): Construction supervision and contract administration

In a nutshell, the Procuring Entity has not made available project documents vital to understand the tender process adopted in the procurement of consultancy service thus deterred the Assurance Professional to make informed judgment on the tender process to procure service contract 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.

5.2 Disclosure of contract information

5.2.1 Overview of the contract

The Consultancy contract agreement was executed on 07/10/2014 between Federal Sport Commission and MH Engineering PLC-Consulting Engineers and Architects for the detailed engineering design, supervision and contract administration of National Stadium in Addis Ababa.

The contract is lump sum for design and time-based (monthly) for supervision and contract administration. The original contract prices were as follows.

- *For the provision of detailed engineering design services:* With a fee of local currency of ETB 12,395, 947.50 (USD 431,809.23) inclusive of 15% VAT and with a fee of Foreign currency of USD 623,070.00 inclusive of 15% VAT;
- *For monthly supervision and contract administration:* With a monthly fee of local currency of ETB 396, 903. 83 (USD 13,826.03) inclusive of 15% VAT and with a fee of Foreign currency of USD 11,126.25 inclusive of 15% VAT; and
- The consultant will be reimbursed by the employer for the cost of soil investigation conducted through a government owned enterprise as a reimbursable fee.

Under this contract, the payments to MH Engineering PLC (Lead Consultant) and Idea Image Institute of Architects Co., Ltd. (Sub-consultant) would be made in ETB and USD, respectively. Moreover it was specified the payment schedule shall be as follows.

- For design services for both local and foreign currency:
  - 40% upon submission of the main stadium's preliminary architectural design, conceptual sanitary and electrical design and structural system and stability analysis.
  - 30% upon submission of the main stadium's final design documents of Architectural, Structural, Sanitary and Electrical
  - 30% upon submission of all final design documents such as roof design, landscape design, site work, road, communication system and security system of the overall stadium.
- For construction supervision and contract administration services: on a monthly fee basis for both local and foreign currency.

The special conditions of contract (*GCC Clause References GCC 16.1*) stipulated that any change in laws or regulations shall result in any change to the period for completion of the services or the contract price.

It is specified that the time periods within which the design, and supervision and contract administration services shall commence are upon signing of contract and commencement of the construction works, respectively. The original scope and period of services to be rendered by the Consultant were to undertake the following activities grouped in three parts:

- The intended completion date for the main stadium design such as (Architectural, Structural, Sanitary installation and Electrical installation (general lighting and power supply) including bill of quantities is four and half months after signing of the contract.
- The intended completion date for roof, landscape, road, site work, communication system and security system design including bill of quantities is six months after signing of the contract.
- The intended completion date for supervision and contract administration is upon completion of construction works and provisional acceptance of the whole works.

5.2.2 Analysis of the disclosed contract information

As no document was made available in connection to phase I of the service contract implementation/completion; it has become difficult to analyze and make informed assessment about service contract performance in terms of the changes and justifications of changes observed in light of contract price, duration and scope.

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 of Phase II of the consultancy service are presented hereunder.

5.2.2.1 Issues related to contract Price

From the recent consultancy services payment certificate (*No 42 - for supervision service of the month of June 2019 dated on 01/07/2019*), it is learnt that as of July 01, 2019 the total value of services delivered by the consultant amounts to ETB 9,531,171.47 (USD 332,015.59) and USD 460,849.56. It is learnt that no major changes are observed with regard to the time-based service contract price of the consultancy service.

5.2.2.2 Issues related to contract duration and scope

The commencement and completion dates of phase II of the consulting services are on 19/01/2016 and upon completion of the ongoing construction works and provisional acceptance of the whole works. It is learnt that no major changes are observed with regard to the time-based service contract duration and scope of the consultancy service.

6. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE (WORK CONTRACT)

6.1 Procurement information and overview of procurement process

In a nutshell, the Procuring Entity has not made available project documents vital to understand the tender process adopted in the procurement of work contract thus deterred the Assurance Professional to make informed judgment on the tender process to procure service contract 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.

6.2 Disclosure of contract information

6.2.1 Overview of the contract

A contract agreement for the construction of National Stadium at Addis Ababa was executed on January 05, 2016 between the FDRE, Ministry of Youth and Sports, and China State Construction Engineering Corporation Ltd for the sum of ETB 2,471,004,944.58 (USD 86.08 Million) inclusive of VAT.

The contract has specified that the proportion of the payment payable to the contractor in local and foreign currencies shall be 80% and 20%, respectively while the payment in foreign currency shall be determined based on the selling exchange rate of Commercial Bank of Ethiopia at the date 28 days prior to the deadline for bid submission (i.e. the selling exchange rate of Commercial Bank of Ethiopia on June 03, 2015).

Subcontracting arrangements are highly instrumental in promoting and ensuring knowledge transfer, equity and specializations, among others. To this intent, it is noted that GCC Clause References 14.1 of the Special Conditions of Contract has stipulated the following:

- The contractor must subcontract at least 25% of the total contract value up to a maximum of 40% of the total contract value to local subcontractors and shall not impose inequitable or onerous conditions on the appointed subcontractors and shall pay all subcontractors promptly all money due by interim payments.
- If the contractor doesn't comply with this said requirement, the Engineer shall withhold a respective amount from payments due to the contractor. It shall be deemed as breach of contract, if the contractor continues to infringe up on this obligations, although an adequate time to meet this obligations has been set and has expired. The contractor has to submit the list of work items, which will be subcontracted to cover the above percentage four (4) weeks after signing the contract.

Unlike the contract agreements concluded with domestics firms, the special conditions of contract (*GCC Clause References GCC 16.1*) stipulated that in case of change of laws and regulations after the deadline for submission of the bid the contract price shall be correspondingly increased or decreased and/or the delivery date shall be reasonably adjusted to the extent that the contractor has thereby been affected in the performance of any of its obligations under the contract.

The commencement date and original intended completion date for the whole works were 30 days and 900 Calendar days after signing of the contract, respectively while the original intended completion date was on 23/06/2018.

The original scope of work consists of the supply of materials, equipment and labour for the construction of the first phase of National Stadium Complex in Addis Ababa with the inclusions and omissions described in table 5.

Table 4: Scope of works - phase I

Inclusions	Omissions
– All structural work for main stadium – All block work for the main stadium except ductal concrete and HPL – All underground pipe lines and buried pipe lines on all floors of the main stadium – All electrical wiring of the main stadium – All field events inside the stadium – All the works for the areas designated as phase one in the drawings	– Steel structure of the roof and roof cover of main stadium – Stadium technology – Finishing (carpentry and joinery, metal works, plastering and pointing and painting, etc) works for areas not designated as phase one – interior work for VIP area and skyboxes

The contract has also obligated the contractor to provide the Engineer's representatives on site with office space, office furniture, office equipment, utilities for the offices, sanitary arrangement as well as transport facilities for the engineer and his staff as well as surveying equipment and safety equipment for the duration of the contract.

The documents availed by the PE revealed that no supplementary agreement has been concluded subsequent to the main contract agreement.

An advance payment amounting ETB 494,200,988.92 (USD 17,215,347.79) inclusive of 15% VAT was effected to the contractor and in the course of the work execution 27 interim payments were paid as of the end June 2109.

On 21/06/2019 the consultant through interim payment certificate 27 approved a net interim payment of ETB 73,304,303.15 (USD 2,553,534.09) out of which in ETB 58,643,442.52 (USD 2,042,827.27) and in USD 701,490.01 including 15% VAT and requested the FDRE Sport Commission to make the payment effective to the contractor.

As of June 21, 2019, the total value of work executed and materials supplied amounts to ETB 1,932,337,046.60 (USD 67,312,399.30) with broader and detailed breakdowns presented in table 6 and annex 1, respectively.

Table 5: Broader components of the total value of work as of June 2019

#	Description	Total Executed Amount		
		ETB	**USD**	**%**
1	Main Stadium			
1.1	Sub-structure	798,678,574.85	27,821,735.98	47.5
1.2	Super-Structure	815,508,000.25	28,407,984.12	48.5
1.3	Price Adjustment	63,295,156.01	2,204,868.36	3.8
2	Drainage Ditch Work	2,758,277.27	96,083.79	0.2
	Total	**1,680,240,008.38**	**58,530,672.25**	100.0
	VAT (15%)	252,036,001.26	8,779,600.84	
	Total with 15% VAT	**1,932,276,009.64**	**67,310,273.09**	

Subject to further clarification request, only one change with minor effect on contract price has been evident from the disclosed documents. A summary of change with its status of associated variations is outlined in table 7. It is observed that the document that the Procuring Entity disclosed adequately justify the change with its associated effect on cost.

Table 6: List of project changes - variation orders

Description	Variation Work Order #
	Undisclosed
Subject of variation	Additional works
Reason for variation	architectural, structural and electrical design modification works
Work required to implement the variation	works of intermediate step correction, shear wall correction, stair case correction, concrete drilling, footing dismantling and grounding of reinforcement.
Status of variation (as 05/07/2019)	The consultant submitted BoQ with unit rates and detailed cost breakdown of the changes for client's approval and the Employer issued internal instruction to make official approval
Effect on cost	An increment in works contract price amounting 1,018,750.00.
Effect on time	-

Moreover, no document has been availed the detailed of claims filed by the contractor up to the end of June 2019.

It is known that the master schedule is the construction execution plan for executing the project work and turnover to the owner while operating within the restraints of overall project financing, strategic schedule dates, project resources and contracting procedures. Despite the contract obligates the contractor to submit a program of implementation of the tasks within 15 calendar days of delivery of notice of acceptance/letter of aware or contract signing whichever comes first; no such document has been availed by the Procuring Entity.

The original commencement and intended completion dates were on 19/02/2016 and 23/06/2018, respectively, which the latter was revised to be on December 26, 2018 due to time extension that pushed forward the intended completion date by 191 Calendar days. It is, however, to be noted that the PE has availed no document justifying the details of Extension of Time.

Table 7: Details of contract time performance

Date of contract agreement	Date	5-Jan-16
Mobilization period	Days	30
Commencement date	Date	19/02/2016
Original duration	Cal. days	900
Original completion date	Date	23/06/2018
Time extension	Cal. days	191
Revised completion date	Date	26/12/2018
Total duration	Cal. days	1091

The work progress report for the month of June 2019 reveals that most of the activities during the reporting were base course compaction, painting, metal work and other finishing works. As shown in Annex 5 and 6, the work progresses of the Main Stadium and the Field Event as of the end of June 2019 were 99.43% and 46.99, respectively while the overall physical current work progress, as per items in the BOQ was 98.06%.

Table 8: Summary of the overall physical work progress, as of the end of June 2019

#	Description	Currency	Contract Amount	To date Amount (June 2019)			Total Accomplished (%)
				Planned	Executed	% completed	
1	Main Stadium	ETB	2,092,566,360.81	2,092,566,360.81	2,080,735,037.59	99.4%	**99.43%**
		USD	72,893,940.88	72,893,940.88	72,481,800.17		
2	Field Event	ETB	56,133,590.44	56,133,590.44	26,377,817.57	47.0%	**46.99%**
		USD	1,955,397.31	1,955,397.31	918,863.61		
Total		ETB	2,148,699,951.25	2,148,699,951.25	2,107,112,855.16	98.06%	**98.06%**
		USD	74,849,338.18	74,849,338.18	73,400,663.78		

Table 9: Summary of Contract Status as of June 30, 2019

Time elapsed	Cal. days	1,277
Percent of time elapsed-from original completion date	%	141.9
Percent of time elapsed-from revised completion date	%	117.0
Work planned to date	ETB	2,148,699,951.81
	USD	74,849,338.18
Work accomplished to date	ETB	2,107,112,855.16
	USD	73,400,663.78
Percent of work planned to date	ETB/USD	100
Percent of work accomplished to date	ETB/USD	98.06%

6.2.2 Analysis of the disclosed contract information

6.2.2.1 Issues related to contract Price

As of June 21, 2019, 80.3% of the original contract price of the main stadium amounting ETB 1,932,337,046.60 (USD 67,312,399.30), including VAT, was paid to the contractor for the executed works and supplied materials, among which ETB 63,295,156.01 (USD 2,204,868.36) - 3.8% - was an adjustment for price escalation of major construction inputs.

As indicated in table 8, the consultant in its work progress report for the month of June 2019 indicated that the planned and executed amount of work to-date amounts to ETB 2,092,566,360.81 (USD 72,893,940.88) and ETB 2,080,735,037.59 (USD 72,481,800.17) with 99.4% financial performance.

From the discussions made in the above two paragraphs it can be concluded that there is discrepancy between the recent payment certificate and progress report which the documents that the Procuring Entity disclosed do not adequately justify the observed inconsistency.

Table 10: Comparison of a summary of statement outlined in Contractor's payment certificate No 27 against the main contract work items

Item No.	Description	Contract Amount extracted from		Total Executed Amount (ETB)	A-B	Over quantification rate (%)
		Main Contract Document-A	Summary of statement in PC#27 - B			
I	**Main stadium**					
A	**Sub-structure**					
1	Excavation and Earthwork	103,399,253.51	91,125,304.68	60,210,426.02	12,273,948.83	11.9%
2	Concrete works	684,896,194.29	684,896,186.60	738,419,430.83	7.69	0.0%
3	Masonry works	1,788,726.37	1,788,726.37	48,718.00	-	0.0%
	Sub-total A	**790,084,174.17**	**777,810,217.65**	**798,678,574.85**	12,273,956.52	1.6%
B	**Super-Structure**				-	
1	Concrete works	618,129,092.97	617,357,523.97	526,440,266.34	771,569.00	0.1%
2	Block works	64,884,273.13	50,677,884.01	39,971,282.21	14,206,389.12	21.9%
3	Carpentry and joinery works	28,190,389.02	27,941,001.60	12,245,310.38	249,387.42	0.9%
4	Metal works	99,687,254.33	56,581,006.68	62,935,212.23	43,106,247.65	43.2%
5	Plastering and pointing	18,352,796.94	7,010,142.66	3,986,155.93	11,342,654.28	61.8%
6	Finishing work	100,736,790.24	73,407,417.89	33,760,732.56	27,329,372.35	27.1%
7	Painting work	26,459,190.13	25,003,184.90	1,647,260.21	1,456,005.23	5.5%
8	Sanitary Installation	169,715,961.11	141,058,684.00	78,975,262.93	28,657,277.11	16.9%
9	Electrical installation	145,696,965.74	47,164,430.93	49,859,637.90	98,532,534.81	67.6%
10	Mechanical works	30,629,473.03	15,320,603.39	5,686,879.56	15,308,869.64	50.0%
	Sub-total B	**1,302,482,186.64**	**1,061,521,880.03**	**815,508,000.25**	240,960,306.61	18.5%
	TOTAL A+B	**2,092,566,360.81**	**1,839,332,097.68**	**1,614,186,575.10**	253,234,263.13	12.1%
	Price Adjustment					

	Previous			33,587,322.02
	Current			29,707,833.99
II	**Drainage Ditch Work**			
	Excavation and Earthwork			53,075.62
	Concrete works			2,758,277.27
	Grand Total Amount	**2,092,566,360.81**	**1,839,332,097.68**	**1,680,293,084.00**
	15% VAT	313,884,954.12	275,899,814.65	252,043,962.60
	Grand Total Amount with 15% VAT	**2,406,451,314.93**	**2,115,231,912.33**	**1,932,337,046.60**

6.2.2.2 Issues related to contract duration

The original commencement and intended completion dates were on 19/02/2016 and 23/06/2018, respectively, of which the latter was revised to be on December 26, 2018 due to time extension that pushed forward the intended completion date by 191 Calendar days.

As of 30th of June 2019, 141.9% of the contract period (1,277 Calendar days) has been elapsed thus showing a "behind schedule" condition with a time overrun of 41.9%. It is noted that the project documents have not justified the root causes for significant changes observed in the contract duration.

6.2.2.3 Issues related to contract scope

As shown in table 10, the project experienced significant scope changes which are attributed to over-quantification of work quantities in the main contract agreement, indicating the lack of an accurate planning stage. It is, however, noted that the project documents have not justified the root causes of the additions and omissions reflected in the variation orders and supplementary agreements.

7. CONCLUSION AND RECOMMENDATION

This chapter presents the end product of the assurance process comprising two separate sections: *section 7.1* 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 7.2*.

7.1 Conclusion

The Procuring Entity has not made available project documents vital to understand the tender process adopted in the procurement of both the consultancy service and the construction wok thus deterred the Assurance Professional to make informed judgment on the tender process.

No project document has been available to assess the performance of phase I of the consultancy services in terms of the changes and justifications of changes observed in light of contract price, duration and scope.

From the recent consultancy services payment certificate (*No 42 - for supervision service of the month of June 2019 dated on 01/07/2019*), it is learnt that as of July 01, 2019 the total value of services delivered by the consultant amounts to ETB 9,531,171.47 (USD 332,015.59) and USD 460,849.56. It is learnt that no major changes are observed with regard to the time-based service contract price of the consultancy service.

As of June 21, 2019, 80.3% of the original contract price of the main stadium amounting ETB 1,932,337,046.60 (USD 67,312,399.30), including VAT, was paid to the contractor for the executed works and supplied materials, among which ETB 63,295,156.01 (USD 2,204,868.36) - 3.8% - was an adjustment for price escalation of major construction inputs.

The original commencement and intended completion dates were on 19/02/2016 and 23/06/2018, respectively, which the latter was revised to be on December 26, 2018 due to time extension that pushed forward the intended completion date by 191 Calendar days. As of 30th of June 2019, 141.9% of the contract period (1,277 Calendar days) has been elapsed thus showing a "behind schedule" condition with a time overrun of 41.9%. It is noted that the project documents have not justified the root causes for significant changes observed in the contract duration.

The project experienced significant scope changes which are attributed to over-quantification of work quantities in the main contract agreement. It is, however, noted that the project documents have not justified the root causes of the additions and omissions reflected in the variation orders and supplementary agreements.

A key recommendation made to the Procuring Entity is to increase the level of proactive disclosure, so that information regarding tender and contract execution (including reasons for variation orders and supplementary agreements) are available for public consultation. A list of specific questions is also presented below for clarification by the Procuring Entity.

7.2 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:

i) The invitation communicated to consulting firms for the Architectural Design Competition of national stadium project did not included the evaluation methodology.

ii) Why the service contract was not entrusted to the winner of architectural design competition?

iii) When and how phase I of the service contract agreement was completed?

iv) How the procurement of service and work contracts were procured?

v) The discrepancy in contract work quantities that are specified in the payment certificate and progress report for the month's June 2019.

vi) Whether the subcontracting provisions stipulated in the contract are enforced or not?

7.3 List of additionally required project documents

The following are the list of additional project documents that the PE shall make available for further review.

1) Consultancy implementation and completion reports for design services
2) Claims, Variations and Changes
3) Documents showing the tender processes for the procurement of service and work contracts
4) Project Evaluation/audit report (quarter/annual or Final), and
5) Work Programme approved by the Engineer and subsequent updates.

ANNEX – PROJECT & CONTRACT INFORMATION DISCLOSURE

Annex 1: Schedule of documents disclosure

#	Project Implementation Stage	Documents to be disclosed	Documents Availability		
			Yes	No	Remark
1	**PROJECT IDENTIFICATION**	Inception & feasibility study document for the stadium project Implementation	✓		
2	**PREPARATION**				
2.1	Funding sources/ budget authorization process	Project cost estimation/Inception Assumptions, etc	✓		
		Budget approval process/ Project budget			*[3]
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 design, construction Supervision and Contract Administration of National Stadium Project in Addis Ababa	Notice of Invitation for EoI		✓	
		Expression of Interest (EOI) Assessment Report		✓	
		Invitation to bid		✓	
		Tender Evaluation Report - Technical		✓	
		Tender Evaluation Report - Financial/combined		✓	
				✓	
b	Work Contract - Construction of National Stadium Project in AA	Notice of Invitation to bids		✓	
		Tender Evaluation Reports		✓	
3.2	***Contract Award***				
a	Service Contract	Consultancy contract agreement between Federal Sport Commission and MH Engineering PLC-Consulting Engineers and Architects for the detailed engineering design, supervision and contract administration of National Stadium in Addis Ababa.	✓		
b	Work Contract	Contract agreement for the construction of National Stadium Project at Addis Ababa between FDRE, Ministry of Youth and Sports, and China State Construction Engineering Corporation Ltd	✓		
4	**PACKAGE DELIVERY - IMPLEMENTATION & COMPLETION**				
a	Service contract	Consultancy completion report-design services/ Audit and evaluation reports, if any		✓	
		Consultancy services payment certificate No 42 dated on 01/07/2019 - for the month of June 2019	✓		
c	Work contract	A progress report for the construction of National Stadium in Addis Ababa for the Month of June 2019	✓		
		Project Evaluation/audit report (quarter/annual or Final):		✓	
		Work Programme approved by the Engineer and subsequent updates:		✓	
		Latest Interim Payment Certificate No 27 for the Month of June 2019	✓		
		Design changes:		✓	
		Claims and Variation Orders – Only Variation order dated on 05/07/2019			
		Early Warning notices and Compensation Events		✓	

Annex 2: Summary of cost items related to architectural design competition

[3] Partially indicated in the availed report documenting the implementation process of National Stadium Model Design Preparation

S/n	Description of cost items	Pay amount (ETB)	Total Amount (ETB/USD)
1	**Prizes to design competitors**		
1.1	First prize	150,000.00	150,000.00
1.2	Second prize	100,000.00	100,000.00
1.3	Third prize	70,000.00	70,000.00
1.4	4th to 11th prizes	8*20,000.00	160,000.00
Sub-total 1			**480,000.00**
2	**Design evaluation committee members**		
2.1	Design evaluation members	5*25,000.00	125,000.00
2.2	MUDC representatives	2*10,0000.00	20,000.00
Sub-total 2			**145,000.00**
3	**Technical committee members**		
3.1	Payment to technical committee members	4*10,000.00	40,0000.00
Sub-total 3			**40,0000.00**
4	**Miscellaneous (LS)**		
4.1	Design entries placement space rent	15*500	7,500.00
4.2	Rental space for winning designs announcement	1*500	1,500.00
4.3	Recreational expenses	5,000.00	5,000.00
Sub-total 4			14,000.00
Total Sum			**679,000.00**

Annex 3: Name of consulting of firms who extended EOI

#	Name of firm
1	Sileshi Consult: Consulting Architects & Engineers PLC in association with Molen Associates, Hong Kong
2	GATMeTS International PLC: Consulting Engineers, Planners & Architects in JV with Environmental Civil Engineering Consulting Center of Egypt
3	Virtual Consulting PLC in association with Arkiplan Consulting Architects & Engineers of Dubai
4	Yohannes Abbay Consulting Architects & Engineers in consortium with Manshan Iron & Steel Construction Group Co., Ltd of China
5	Geretta Consult PLC- Consulting Architects and Engineers in collaboration with Italian Professional
6	MH Engineering PLC - Consulting Engineers and Architects in association with Idea Image Institute of Architecture Co. Ltd, South Korea
7	ETG Designers and Consultants PLC in association with GMP International Architects & Engineers, Germany
8	JDAW Consulting Architects and Engineers in association with Populous (Architectural) and Martin Inc. (Structural)
9	Ultimate Plan PLC- Consulting Architects and Engineers
10	Afri Consult- Consulting Architects and Engineers PLC in association with Laut Engineering Srl of Italy
11	ZIAS Design International PLC
12	Shigez Consultancy PLC

Annex 4: Adjudication criteria and points allocated for Architectural Design Competition

S/n	Heading/ Criteria	Agreed points
I	**National Stadium Component**	**80**
1	Articulation of detailed design program	12
2	Response to program requirements and functionality	8
3	Response to international standards (FIFA, OIC, etc)	4
4	Safety and security provisions	4
5	Urban integration of the stadium component	8
6	Innovative approaches to technical aspects of design	8
7	Sustainable design (Environmental, social and economic)	4
8	Possession of relevant iconic value	16
9	Innovative structural solution	8
10	Ease of adaptability	8
II	**Sports Village Master Plan**	**15**
1	Urban integration	5
2	Circulation and interrelationship of uses	3
3	Safety and security provisions	3
4	Implementation strategy (ease of phasing)	1.5
5	Sustainable design (Environmental, social and economic)	2.5
III	**Presentation**	**5**
1	Sufficiency and clarity of drawing and information	2.5
2	Model	2.5
Total		**100**

Annex 5: Summary of the work progress - Main Stadium

Item No.	Description	Contract Amount (ETB)	Total Executed Amount To-date (June 2019)	
			ETB	%
A	**Sub-structure**			
1	Excavation and Earthwork	103,399,253.51	103,142,017.01	99.75%
2	Concrete works	684,896,194.29	684,815,426.13	99.99%
3	Masonry works	1,788,726.37	1,788,726.36	100.00%
	Sub-total A	**790,084,174.17**	**789,746,169.50**	99.96%
B	**Super-Structure**			
1	Concrete works	618,129,092.97	618,043,346.99	99.99%
2	Block works	64,884,273.13	64,750,610.14	99.79%
3	Carpentry and joinery works	28,190,389.02	27,661,073.00	98.12%
4	Metal works	99,687,254.33	99,483,163.45	99.80%
5	Plastering and pointing	18,352,796.94	18,139,319.15	98.84%
6	Finishing work	100,736,790.24	100,607,242.27	99.87%
7	Painting work	26,459,190.13	19,871,999.35	75.10%
8	Sanitary Installation	169,715,961.11	167,649,569.81	98.78%
9	Electrical installation	145,696,965.74	144,333,025.79	99.06%
10	Mechanical works	30,629,473.03	30,449,518.14	99.41%
	Sub-total B	**1,302,482,186.64**	**1,290,988,868.09**	99.12%
	TOTAL A+B	**2,092,566,360.81**	**2,080,735,037.59**	**99.43%**

Annex 6: Summary of the work progress - Field Event

Item No.	Description	Contract Amount (ETB)	Total Executed Amount To-date (June 2019)	
			ETB	%
1	Synthetic surface	50,167,017.06	26,377,817.57	52.6%
2	Water jump	42,517.87	-	0.0%
3	Triple jump	134,883.57	-	0.0%
4	Long jump	849,369.99	-	0.0%
5	Pole vault	93,098.90	-	0.0%
6	Hammer throw	14,092.12	-	0.0%
7	Shot pot	116,090.69	-	0.0%
8	Discus throw	14,092.12	-	0.0%
9	Technical components	3,641,752.06	-	0.0%
10	Goal and flag	371,420.06	-	0.0%
11	Curb stone	689,256.00	-	0.0%
	Sub-total	**56,133,590.44**	**26,377,817.57**	**46.99%**

Construction of Office Building for Civil Service Ministry

NOVEMBER, 2019

ASSURANCE PROFESSIONAL: MESFIN SHIFERAW

Addis Ababa, Ethiopia

Table of Contents

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
USD	-	United States Dollar
VAT	-	Value Added Tax

1. EXECUTIVE SUMMARY

Infrastructure Transparency Initiative (CoST) is a multi-stake holder initiative, which aims at enhancing transparencyaccountability of public funded infrastructure projects . Core to this aim is disclosing information of projects at their different stages to the public domain. The CoST disclosure process requires PEs 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 select a project to be assessed in detail, verifying the accuracy and completeness of the information disclosed by the procuring entity, analyzing the information obtained and highlighting findings and causes of concerns in plain language in order to enable stakeholders make informed judgment on the execution of the procurement process.

CoST -Ethiopia, is led by National Multi-Stakeholder Group Executive Committee (NMSG – EC), which comprises representatives of the government, the private sector and civil society.

Projects are selected from the Transport, Water and Builfing sectors. One of the projects selected from the Building sector **Office Building for Civil Service Ministry.** The Federal Government Buildings Construction Project Office is administrying the above mentioned project in Addis Ababa, Ethiopia. This report covers the disclosure and assurance of the aforementioned peoject. The assurance professional (AP) assumes the responsibility of the assurance work.

The documents for the procurement of the Design supervision and Contract administration service contract of the project are totally not available for review but it is apparent that the service included other projects that the Bureau was conducting simultaneously with this one and it was assigned to ETG DESIGNERS & CONSULTANTS presumably through a procurement process. Both services i.e. Design and supervision and Contract administration services were signed in one contract.

The documents for procurement stage of the works contract are also not available. However, Samuel Sahlemariam Building contractor signed the agreement for the works contract for contract amount of ETB 35,566,200.67 (1,227,033.92 USD) including 15% VAT and for contract duration of one year and seven months (540 Calendar Days).

The only contract disclosed is the works contract this is because the PE does not adequately present the documents for the design, supervision, and contract administration contracts.

The disclosed information of the project represents the status of the project up to September 20 /2016 which is when the provisional acceptance of the project was conducted. The exchange rate of Birr to USD is valued (1Birr = 0.0345 USD) on the month that this report was compiled i.e. March 2019.

Mesfin Shiferaw is the AP (Assurance Professional) of this report.

Summary of findings and causes of concerns

General

- The average rate of disclosure is computed to be 32.3 percent.
- 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.

Furthermore, 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.

As mentioned above since the PE did not present the required documents for procurement, the whole process of procurement will fall in to question. Thus, one can ask:

- If the PE did 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)".

- If the PE did use Bid opening manual and other manuals i.e. Thus, it is recommended to use Manual for Minutes on the public opening of bids that is available in the Public Procurement Manual, December 2011 during bid process.

- If the PE had respected the required durations for the procurement process between the opening date and the award date of the bid, and so on…

Design, Supervision and Contract Administration Service contracts

As the documents for design, supervision, and contract administration contracts are not adequately available, it is very hard to give any comment. As mentioned above it is strongly advised to collect, compile, preserve, and make available all the required documents for design, Supervision, and contract administration when requested.

Since 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, **not to have the required documents when required might be a breach of the law.**

Works (Construction) contract

Procurement information

As the PE did not make the documents for the procurement of the works contract available, it is very hard to give any comment. As mentioned in the previous section it is strongly advised to collect, compile, preserve, and make available all the required documents for works contract when requested.

Since 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, **not to have the required documents when required might be a breach of the law.**

Contract information for Works (Construction)

- 10 rounds of variation orders, where most of the orders are material changes and additional works may show if there is lack of Proper and complete design work and document preparation.

- Most of the changes for this contract are due to changes of work item “omission and addition” this might be because of design incompleteness and improper document preparation. **Changing material type and quality or work item in the middle of a construction stage** would or might favor the contractor by creating opportunity to have a new unit price free of competition for every new item.

- Omission and addition of work items, especially from the contract might harm the PE dearly and might be an advantage for the contractor as it will relive it from major items of responsibility.

- The document for the review and approval of time extension No1 request should have been available for review as it moved the completion time massively (937 calendar days).

- It is not clear if the only available time extension request review did take in to consideration all the other work items included in the contract, which were being executed concurrently and the approved project program at those particular times. Furthermore, it is not clear if the inclusion of each work item in the existing schedule had been taken into consideration when reviewing the request.

- The other item that may have been considered during the analysis of the time extension approvals is the contractor’s performance of the works that it had planned to execute during the concerned periods. If the contractor did not meet the planned schedule on those particular times, then this may have been taken into consideration when evaluating the time extension approvals. There is no document that shows if this condition was checked during the evaluation for time extension approvals.

- One can realize from the examinations of the approved time extension requests that the review and approval process for the time extension requests, which approved a total of 1011 calendar days or 187.22 % of the contract time to change the total duration to 1551 calendar days, are not clear and need further detail elaboration for their review process.

- This unclear approval of time extensions may have exposed the PE for unnecessary expenses such as price escalation, compensation, and supervision fee. It is not clear if such conditions had been checked properly.

- It is not clear if the conditions stated on the G.C.C are respected and the required documents are available when the PE paid the price escalation payment indicated in the final payment document.

- According to the provisional acceptance document, the final acceptance of the project was supposed to be on September 20/2017 however, there is no document presented that shows if the final acceptance had been conducted.

- The administration of theconstruction contract lacked the following:

    - 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. The absence of such complete updated program might prevent the PE from knowing when to expect the completion of the project, 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. It is not clear if there were baseline and updated programs of the project.

    - Reports showing the exact cause of delay, if the contractor is delaying the project or not, what steps that the PE should follow when delay occur. It is not clear if the reports were indicative of the actions to be taken, if they indicate causes of concern and so on.

    - Properly reviewed time extension request approvals, 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.

A key recommendation made to the Procuring Entity is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation. Also, record keeping, both in print or electronic format, is esssential 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.

Note: An exchange rate of USD to Birr (1 USD = 28.9 Birr) is made using the rate at the time of the report writing

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 up to September 20/2016. The exchange rate of Birr to USD is valued (1Birr = 0.0345 USD) on the month that this report was compiled i.e. March 2019.

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 do not have enough documents presented the study had to greatly focus on the works contract only.

The report describes major information about the construction contract, but as the PE could not provide enough documents about the procurement stage of the project the report only includes information concerning the implementation stages of the project. Under the contract implementation item, the report 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.

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 projects 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 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 assigned staff of the PE 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 lows 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
- Total Documents for procurement of design and supervision services.
    - announcement,
    - Document or print out, showing if the bid announcement was released on the PPPA web site.
    - bid document, (Tender documents and evaluation criteria)
    - list of bidders who bought the document,
    - list of bidders who returned the document,
    - bid opening,
    - bid evaluation and minutes (tender evaluation, recommendation and other relevant documents)
    - Content of any bidder's complaint
    - letter for result announcement for bidders,
    - letter of award

- Design reports and their actual completion time according to the agreement and the actual completion time.
- Payments issued for design and contract administration service.
- Total Documents for procurement of design and supervision services.
    - Bid Announcement (newspaper…)
    - print out showing if the bid announcement was released on the PPPA web site
    - bid document, (original Section 2 and 3 of construction bid documents)
    - list of bidders who bought the document,
    - list of bidders who returned the document,
    - bid opening documents,
    - bid evaluation and minutes, (tender evaluation (technical and financial), recommendation and other relevant documents)
    - complaint of any bidder and (Content)
    - letter for result announcement for bidders,
    - letter of award,

- 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 programs (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.

The Government Office Buildings Construction and Management Bureau conducted procurements and contract implementation process to construct Government Office Building for Civil Service Ministry, with a budget allocated from the government of the federal democratic republic of Ethiopia.

Government Office Building for Civil Service Ministry is a project composed of G+6 block office buildings. It is located in Addis Ababa, Ethiopia.

There is no document available that shows if environmental, land and settlement impact assessment had been conducted for this project.

The project is designed by ETG Designers & Consultants, according to the agreement made with the PE which was signed on 25th day of May; 2011.But the service agreement included other projects that were being built by the PE side by side. The scope of the service includes all engineering designs necessary to construct Government Office Building for Civil Service Ministry. The PE may have conducted an open bid procurement process to select the consultant; nevertheless as there are no documents presented by the PE, further review could not be carried out. The agreement includes works such as architectural and engineering designs, and preparation of structural, sanitary, electrical and mechanical design, preparation of network design and specification & bill of quantities). For design, the contract cost calculated separately for this project in particular is Birr 265,995.00 (9,176.83 USD) including 15% VAT. The duration to complete the design service, according to the Special condition of contract is 30 days.

The above agreement for design service also included the supervision and contract administration service contract of the project. For supervision and contract administration the contract cost was Birr 17,724.38 (611.49 USD) per month including 15% VAT.

It is assumed that The PE had conducted an open bid procurement process to select Samuel Sahlemariam Building Contractor for the construction contract. The construction contract cost is Birr **35,566,200.67 (**1,227,033.92 USD) including VAT, the contractor took possession of the site on June 26, 2012 to complete the whole of the Works, in duration of 540 Calendar days according to the contract agreement. The project commenced on July 04/2012 and the project contract completion date was on December 26, 2013.

The project completion date, due to various time extension approvals by the PE, was extended to October 02/2016, but according to the provisional acceptance certificate the project was completed and provisionally accepted on September 20, 2016.

The Scope of the project was presumed to be a program to design, supervise, and administrate the contract and to construct a **Office Building for Civil Service Ministry** that is situated in Addis Ababa.

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 some of the PE's documents the project is funded by the government of the federal democratic republic of Ethiopia. The total expected project coast might be misleading to calculate as there may be changes of coast of design, supervision, and contract administration and works contract as some are on time basis and there is no document presented that show the summarized cost for it. Thus supervision, contract administration and work service contracts duration are separately indicated. According to the design contract agreement the cost of service is Birr **265,995.00 (**9,176.83 USD) and for supervision and contract administration contract the cost is Birr **319,038.75** (11,006.84 USD) including 15% VAT. According to the construction contract agreement; the project cost for the construction service is Birr **35,566,200.67** (1,227,033.92 USD) including 15% VAT.

Similarly, the total duration of the project, which includes the design, the supervision and contract administration and the construction service might be hard to calculate as there might be gaps between contracts for procurement and other process. Thus supervision, and work service contract durations are separately indicated. According to the design contract, the project duration for the service is 30 days. The length of duration of the supervision and contract administration Service contract is 18 months. According to the construction contract, the project duration for the construction service is 540 Calendar days. Overview of the project is summarized in Table 1.

Table 1: Overview of project identification

Project identification variable	Description
Project location	The project location is in Addis Ababa, Ethiopia,
Project scope	**Government Office Building for Civil Service Ministry**
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 **265,995.00 (9,176.83 USD)** including 15% VAT Service contract for the supervision and contract administration: -Birr **319,038.75 (11,006.84 USD)** including 15% VAT for 18 months. Work contract - Birr **35,566,200.67 (1,227,033.92 USD)** including 15% VAT
Original project duration	The length of duration of the design Service contract is **30** days. The length of duration of the supervision and contract administration Service contract is **18** months. The contract duration according to the work contract is **540** 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

Most of the documents for the procurement process for the Design service of the **Government Office Building for Civil Service Ministry** project are not presented by the PE. It is not clear if the procurement was conducted according to the competitive bidding, open national tendering procedure contained in the S**tandard Bidding Document (**SDB-services) (version 1, August 2011) of the public procurement procedure of the federal Government of Ethiopia.

As mentioned above due to the absence of some of the documents for the procurement process, it is not clear if the announcement to invite bidders for the mentioned service was advertised (issued) on any Newspaper. It is not also clear if the document for the bid had followed the process declared on the SDB- for services had been respected, or if the duration for bid announcement on a newspaper is respected.

There are no documents presented for the bid data sheet, which might have shown the date of the tender announcement, the bid submission deadline day, the bid-opening day, the evaluation process to be followed and so on.

Furthermore, there are no bid opening documents presented which might have shown if the bid was opened on the day as stated on the bid announcement, if bid opening procedures were respected, the number of bidders who bought the bid document had been documented, if all bidders who bought the bid document returned their bid offer, and so on.

There are no documents presented by the PE which might have shown if the evaluation process stipulated by the SDB-works document was respected. If there was an evaluation process, if the evaluation methodology and criteria described on the SDB for works service were respected and so on.

The contract for the design work among the supervision work was executed by ETG Designers and consultants Architects, Engineers, planners & associates PLC.

The agreement to design the **Government Office Building for Civil Service Ministry**, among supervision work was signed on May 25; 2011.the contract also includes other government ministry office projects.

For this service contract, the Terms of Reference, and the design agreement document, are the only documents that are presented by the PE. The contact document shows that there is an agreement between the two parties and the duration of the contract for design is 30 days (one month), the conditions of payments are 50% of design fee at completion of design review, 50% of design fee at submission of final design. The actual total duration taken for design review and final design documents, report for preliminary and final design, and so on are not presented for reference.

According to some documents presented by the PE one can deduce that the contract is awarded to the consultant through an open bid procurement process, but the documents for the detail procurement process are not presented.

4.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENTINFORMATION

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 that might have shown if the process of the procurement is according to the proclamation of the procurement, it is very hard to conclude that the disclosure of the procurement information is complete.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) for procurement of design service is found to be 30 percent.

4.1.2.2. 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 the PE by writing letters, by email and by physically going to the office indicating 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, where the whole documents are not 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

In the absence of major documents, which might have shown the procurement process for the Design service (consultant), the document for procurement advertisement, and many other major documents. It is very hard to comment on the compliance of the procurement process with the rules of advertisement of the procurement process

4.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

In the absence of major documents which might have shown the efficiency of the procurement process for the design service (consultant), the document for procurement advertisement, and many other major documents. It is very hard to comment on the efficiency of the procurement process.

4.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

In the absence of major documents, which might have shown the procurement process for the Design, service (consultant), the document for bid, and bid evaluation process, and many other major documents. It is very hard to comment on the fairness of the procurement rules on participation.

4.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

In the absence of major documents which might have shown the procurement process for the Design service (consultant), the document for tender, and the tender evaluation process, and many other major documents. It is very hard to comment on the transparency of tender evaluation process.

4.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

As mentioned in the previous sections in the absence of major documents which might have shown the procurement process for the Design service (consultant), the document for tender, and the tender evaluation process and award criteria, and many other major documents. It is very hard to comment on the objectivity of the tender and the award criteria.

4.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

As mentioned in the previous sections in the absence of major documents which might have shown the procurement process for the design service (consultant), the document for tender, and the tender evaluation process and award document, and many other major documents. It is very hard to comment on the competitiveness of the tender and the award criteria.

4.2. DISCLOSURE OF CONTRACT INFORMATION

4.2.1. OVERVIEW OF THE CONTRACT

According to the contract document presented by the PE, The Contract for the design service of the **Government Office Building for Civil Service Ministry** included many other buildings that the PE was conducting on the same time, which are out of the scope of this report. The contract that was signed on May 25/2011 is a contract that also includes the supervision and partial contract administration services of other buildings.

The contract, which also includes other projects, has a design fee calculated separately for this particular project. The separate fee is ETB 265,995.00 (9,176.83 USD) including 15% VAT.

The scope of the contract, according to the TOR for preparation of detail architectural and engineering design included all engineering design necessary to construct **Government Office Building for Civil Service Ministry and other six projects (**G+6 to10). The TOR of the agreement document shows the duration of the design contract to be 30 days (one month).

However, there are no documents presented which show 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 detail performance of the contract, the actual 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.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) of contract information for design service is found to be 0 percent.

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 the PE by indicating 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, where 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 PE does not present most of the documents for the procurement process of the supervision & contract administration service’s contract for the Government Office Building for Civil Service Ministry Project. It is not clear if the procurement were conducted according to the competitive bidding, open national tendering procedure contained in the S**tandard Bidding Document (**SDB-services) (version 1, August 2011) of the public procurement procedure of the federal Government of Ethiopia.

As mentioned above due to the absence of some of the documents for the procurement process, it is not clear if the announcement to invite bidders for the mentioned service was advertised (issued) on any Newspaper. It is not also clear if the document for the bid had followed the process declared on the SDB- for services had been respected, or if the duration for bid announcement on a newspaper is respected.

There are no documents presented for the bid data sheet and other documents, which might have shown the date of the tender announcement, the bid submission deadline, the bid-opening day, the evaluation process to be followed and so on.

Furthermore, there are no bid opening documents presented which might have shown if the bid was opened on the day as stated on the bid announcement, if bid opening procedures were respected, the number of bidders who bought the bid document had been documented, if all bidders who bought the bid document returned their bid offer, and so on.

There are no documents presented by the PE, which might have shown if the evaluation process stipulated by the SDB-works document were respected. If there was an evaluation process, if the evaluation methodology and criteria described on the SDB for works service were respected and so on.

ETG DESIGNERS & CONSULTANTS PLC- Architects, Engineers planners &associates, had executed the construction supervision & partial contract administration service's contract.

According to the available documents, the PE had been executing different projects simultaneously. ETG Designers & Consultants PLC was supervising this project, among other projects of the PE, according to the agreement signed with the PE.

The agreement for construction supervision & partial contract administration service of the Government Office Building for Civil Service Ministry includes many other projects in the university. In addition, there are no enough documents presented that show information concerning the payment effected for the service rendered for this particular project, weather there had been changes to overall payment and so on.

For this service contract, the construction supervision & partial contract administration agreement document and a document that show a payment for the service rendered from June 28/2016 to September 27/2016 are the only documents that are presented by the PE. The contact document only shows there is an agreement between the two parties. Documents for, the whole procurement process, the total payments effected for this particular project, and so on are not presented for reference.

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 procurement process for the construction supervision &partial contract administration service (consultant), the amount of payment made, if the service was completed in the contract duration, if there was 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.
Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) of procurement information for construction supervision service is found to be 26.7 percent.

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 the PE by indicating 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, where 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

In the absence of major documents which might have shown the procurement process for the construction supervision & partial contract administration service (consultant), the document for procurement advertisement, and many other major documents. It is very hard to comment on the compliance of the procurement process with the rules of advertisement.

5.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS

In the absence of major documents which might have shown the efficiency of the procurement process for the construction supervision & partial contract administration service (consultant), the document for procurement advertisement, and many other major documents. It is very hard to comment on the efficiency of the procurement process.

5.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

In the absence of major documents which might have shown the procurement process for the construction supervision & partial contract administration service (consultant), the document for bid, and bid evaluation process, and many other major documents. It is very hard to comment on the fairness of the procurement rules on participation.

5.1.3.4. TRANSPARENCY OF TENDER EVALUATION PROCESS

In the absence of major documents which might have shown the procurement process for the construction supervision & partial contract administration service (consultant), the document for tender, and the tender evaluation process, and many other major documents. It is very hard to comment on the transparency of tender evaluation process.

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5.1.3.5. OBJECTIVITY OF THE TENDER AND THE AWARD CRITERIA

As mentioned in the previous sections in the absence of major documents which might have shown the procurement process for the construction supervision & partial contract administration service (consultant), the document for tender, and the tender evaluation process and award criteria, and many other major documents. It is very hard to comment on the objectivity of the tender and the award criteria.

5.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The same as mentioned in the previous sections in the absence of major documents which might have shown the procurement process for the construction supervision & partial contract administration service (consultant), the document for tender, and the tender evaluation process and award document, and many other major documents. It is very hard to comment on the objectivity of the tender and the award criteria.

5.2. DISCLOSURE OF CONTRACT INFORMATION

5.2.1. OVERVIEW OF THE CONTRACT

According to the contract document presented by the PE, The Contract for the supervision and partial contract administration service of the **Government Office Building for Civil Service Ministry** included many other buildings that the PE was conducting on the same time, which are out of the scope of this report. The contract, which was signed on May 25 /2011, is a contract that also includes the design services of other buildings.

The contract for supervision and partial contract administration service fee calculated separately for this particular building is ETB 319,038.75 (11,006.84 USD) for 18 months, including 15% VAT. The document shows that the duration for the completion of the contract is assumed to be 18 months.

Furthermore, it is not clear if the cost and duration for the contract had been overpasses or changed. There are no documents presented which shows other information about the service contract such as, payments effected and so on.

5.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1. COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

In the absence of major documents, which might have shown if there had been any change to the scope of the contract, the contract duration, and the amount of payment made, and so on. It is very hard to conclude that the disclosure of the contract information is complete.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) of contract information for construction supervision service is found to be 0 percent.

5.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents of the service so that one can compare and check the accuracy of the information. In the absence of major documents, it is very hard to conclude that the disclosed information is accurate.

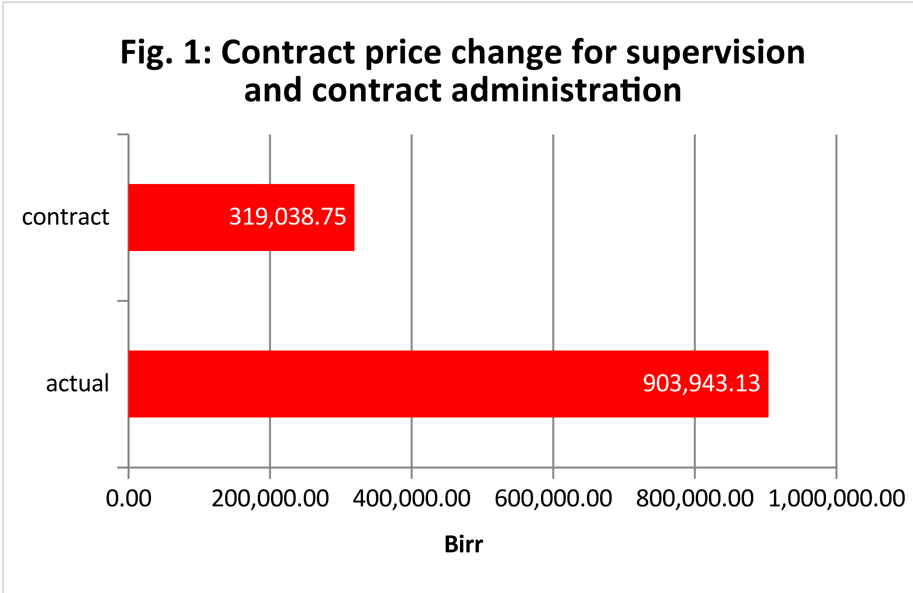
To make sure that the disclosed procurement information is accurate, the AP had tried to collect documents from the PE in writings that indicate the required documents. Even though it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect some of the documents that were mentioned in the Introduction. Thus this condition, where the whole documents might not be present, 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 that show the total payment affected for this particular project, 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.

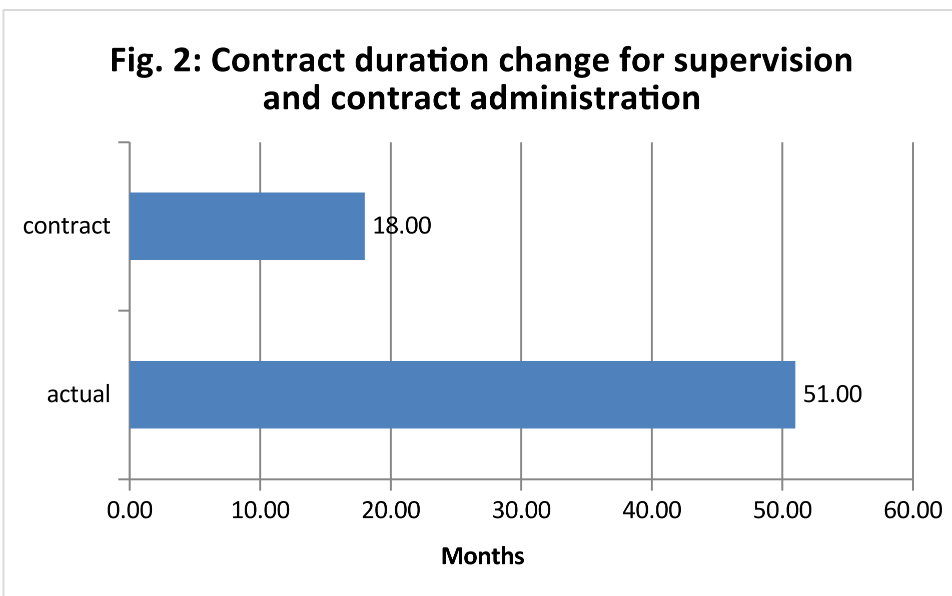
However, one can see from the provisional acceptance of the works contract that the price of the service contract may have increased from 319,038.75 (11,006.84 USD) for 18 months to about ETB 903,943.13 (31,186.04 USD) for 51 months due to the duration change caused by the works contract (Fig. 1).



5.2.3.2. ISSUES RELATED TO THE CONTRACT DURATION

As there are no documents presented by the PE which show if the duration changes of the project affected the service contract, 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.

But one can see from the provisional acceptance of the works contract that the duration of the service contract might have increased from 540 days, 18 months, to about 1534 days, 51 months (Fig. 2).



5.2.3.3. ISSUES RELATED TO THE CONTRACT SCOPE

As there are no documents presented by the PE, which show changes to the scope of the contract i.e. if there had been changes of scope compared to the contract, 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 contract scope of the service.

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 PE does not present most of the documents for the procurement process of the Government Office Building for Civil Service Ministry Project. It is not clear if the procurement were conducted according to the competitive bidding, open national tendering procedure contained in the S**tandard Bidding Document (**ICB SDB-works) (version 1, August 2011) of the public procurement procedure of the federal Government of Ethiopia.

As mentioned above due to the absence of some of the documents for the procurement process, it is not clear if the announcement to invite bidders for the construction of the **Government Office Building for Civil Service Ministry** was advertised (issued) on any Newspaper. It is not also clear if the document for the bid had followed the process declared on the SDB- for works had been respected, or if the duration for bid announcement on a newspaper is respected.

There are no documents presented for the bid data sheet, which might have shown the date of the tender announcement, the bid submission deadline, the bid-opening day, the evaluation process to be followed and so on.

Furthermore, there are no bid opening documents presented which might have shown if the bid was opened on the day as stated on the bid announcement, if bid opening procedures were respected, the number of bidders who bought the bid document had been documented, if all bidders who bought the bid document returned their bid offer, and so on.

There are no documents presented by the PE, which might have shown if the evaluation process stipulated by the SDB-works document was respected. If there was an evaluation process, if the evaluation methodology and criteria described on the SDB for works service were respected and so on.

As mentioned above the documents for procurement stage of the works contract are not available. However, documents show that Samuel Sahlemariam Building contractor signed the agreement for the works contract for contract amount of ETB 35,566,200.67 (1,227,033.92 USD) including 15% VAT and for contract duration of one year and seven months (540 Calendar Days).

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 that are made available by the PE. In the absence of important documents of the process such as bid invitation announcement, the number of bidders who purchased the bid document, bidders who submitted their bid, the technical evaluation and award criteria document (section 3), Engineering (Engineers') Cost Estimate, bid opening attendance, technical evaluation documents, Documents of letters of notification for unsuccessful and successful bidders (technical and financial) and Content of any complaint lodged on bid evaluation result are not presented and so on; 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 the whole original documents so that one can compare or check the accuracy of any information. In the absence of some (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 the copy of the original documents from the PE by indicating in writing and email, the required documents repeatedly. 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, where the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

6.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

In the absence of major documents which might have shown the procurement process for the construction works, the document for procurement advertisement, and many other major documents. It is very hard to comment on the compliance of the procurement process with the rules of advertisement.

The major point that the AP would have checked from the process is if the PE had followed the proper bid process and if it used 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.**

Article 4.2.1.2. of the manual states that “The bid shall be advertised in at least one newspaper that has nationwide circulation” In order to attract a large number of bidders.

There is no document available that shows if the bid announcement was posted on the PPPA’s website or other websites. The procurement manual states that, for Competitive Bidding, the procedure to be followed by public bodies shall be similar to Open Bidding Method as described in the Proclamation and Directive how ever there is no document available that shows if the procedure had been followed.

Procuring Entities are required to comply with the minimum bidding periods given in the Directives. 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.”

There is no document available that shows if the minimum period had been respected. As it is mentioned above, it is very hard to comment on the compliance of the procurement process with the rules of advertisement.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) of procurement information for works is found to be 46.7 percent.

6.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS (TIME LINES)

In the absence of major documents which might have shown the efficiency of the procurement process for the works contract, the document for procurement advertisement, and many other major documents. It is very hard to comment on the efficiency of the procurement process.

The PE should make the procurement process as far as possible efficient by keeping the evaluation time short according to the timescale given in the guide lines. As the PE did not present the whole document for the process one can put the whole process in to question.

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, the estimated lead-time for contract award is 1 to 2 weeks and the estimated lead-time for contract signature is 2 to 3 weeks. If we take the sum of maximum estimated durations for the whole process, the total maximum estimated completion time scale will be around 11 weeks or 77 days.

From the above conditions, if the time from the specified **opening day to technical and financial evaluation process up to the award and signing of the work contract is not respected,** the procuring process might not be efficient. 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."

As the PE did not present the whole document for the process it will cast doubts on the bid evaluation process.

6.1.3.3. FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

In the absence of major documents which might have shown the procurement process for the works (construction) contract, the document for bid, and bid evaluation process, and many other major documents. It is very hard to comment on the 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 there is no document that show if the tender invitation was on air for at least the minimum period for submission of bids stipulated by the BDS.

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."

Besides, other matters should also be taken into consideration, one of them is,

There is no document presented that shows the 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 case 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 that the bid participants are registered in the suppliers list.

As the PE did not present the whole document for this process, it will cast doubts on the fairness of the procurement rules on participation

6.1.3.4. TRANSPARENCY OF THE TENDER EVALUATION PROCESS.

In the absence of major documents which might have shown the procurement process for the works (construction) contract, the document for tender, and the tender evaluation process, and many other major documents. It is very hard to comment on the transparency of tender evaluation process.

It is stated on the procuring manual December 2011 that "Good procurement establishes and then maintains rules and procedures that are accessible, unambiguous and predictable. It should also be fair and seen to be fair."

One of the major documents of the procurement process is the technical evaluation process documents. But because the evaluation document of the evaluation committee is not available, and the document for the evaluation criteria could not be accessed, one could not give a complete comment on the transparency of the evaluation process. **Since the PE did not present the whole documents of the procurement process one can put the transparency of the tender process in to question.**

Furthermore As the procurement directive 45.2/states: -

a) "The Public Body shall communicate the result of the technical evaluation in writing to all bidders at the same time."
b) "The Public Body shall indicate in the letter in which it discloses the result of the technical evaluation to each bidder that any bidder claiming that the technical evaluation has not been conducted in conformity with the proclamation, the procurement directive or the bidding document has the right to present his complaint to the head of the Public Body with in 5working days of being notified of the result.
d) "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, it is not clear if the bid opening day had also been respected; this also is not clear and will create some doubts if the opening date and time was not respected.

The procurement directive article 16.18.1 states that:

> "Bids shall be opened in public at the time and place stated in the invitation to bid or in the document amending such invitation to bid."

In addition, pursuant to the procurement manual, duration from the **opening day, to the technical and financial evaluation process up to the award of the work contract should be respected**.

The other case is, pursuant to the procurement manual, it is stated that the PE should post the information to PPA's web site so as to inform the general public that procurement process had reached to the contract award stage and that the contract has been signed with the winner.

> 2.2.5 Public bodies should disseminate to the general public information about contract awards by posting it on the PPA's website within 5 days of signing the contract after award.

But there is no document presented by the PE which indicates if the award information had been posted on the PPA's web site.

Thus in conclusion due to some of the points mentioned above, as the PE did not present the whole document for this process; **this will cast doubts on the transparency of the tender evaluation process.**

6.1.3.5. OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

As mentioned in the previous section one of the major documents of the procurement process which will hlp to examine the objectivity of the tender evaluation and award criteria are the original technical evaluation criteria and the evaluation process documents. But because the part of the bid document for the evaluation criteria are not available and the other documents for the tender evaluation process which should be done by the technical evaluation committee are not available, one could not give a comprehensive comment on the objectivity of the tender evaluation and the award criteria.

6.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The same as mentioned in the previous sections in the absence of major documents which might have shown the procurement process for the works (construction), the document for tender, and the tender evaluation process and award document, the document for engineering estimate and many other major documents. It is very hard to comment on the competitiveness of the award price.

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

according to the contract document, The PE signed the works contract for **Government Office Building for Civil Service Ministry** on 19th day of June /2012 with Samuel Sahlemariam Building Contractor, with a contract amount of Birr **35,566,200.67 (**1,227,033.92 USD) including 15% VAT. And contract duration of 540 Calendar Days.ETG designers & consultants PLC- Architects, Engineers planners & associates was the supervisor and contract administrator of the project. In reference to the Site handover document of the project (Document No OF/ETG/201), the contractor took the site on 26th day of June /2012 and in reference to the provisional acceptance document of the project the project commenced on the 4th day of July /2012 and the project contract's completion date was, on Descember29/2013.

There were10 different variation orders which were given by the consultant and were approved by the PE. According to the document of the final payment with a covering letter from the PE dated Sene 28/2009 Ref. No 014/250/70071 the total cost of variation work was 6,530,511.97 (225,302.66 USD) before 15% VAT and the total payment for price escalation is 1,573,880.10 (54,298.86 USD) before 15% VAT.

However, according to the final payment of the project the total work executed by the contractor including variations and price escalation is ETB 37,713,936.02 (1,301,130.79 USD) including 15% VAT.

The provisional acceptance document, with a covering letter from the consultant dated Oct 27/2017 Ref. No ETG/76.1.3/227/17 shows that Due to 2 different time extension requests by the contractor and approval by the consultant and PE during the course of project, a total time extension of 1011 calendar days which was 186.11% of the contract time was allowed. Thus, the completion time was set for October 02/2016 (according to time extension approval No. 2 document). The actual completion date of the project was on September 20/2016 after 540 contract time and additional 999 days, which sums up to 1539 from the commencement date.

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, covering letters for variation orders, and some time extension request approval documents are available. The absence of some documents such as, the detail documents for approved variation orders, approved baseline program of the project and other revised programs, payment certificates in detail, the project reports that clearly show the progress in relation to the total program, and so on would cast doubt on the completeness of the disclosed information.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the rate of disclosure (or data availability) of contract information for works is found to be 76.9 percent.

Refering same Annex, it seen that the rate of disclosure for general project information is 34.6 percent. Aggregating all the disclosed information and comparing with the total information required, the average rate of disclosure is computed to be 32.3 percent.

6.2.2.2. 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 the PE by writing a letter and email by indicating the required documents. Even though in the letter it was clearly stated that the verification and analysis process would continue on the available documents only, it was not possible to collect most of the documents that were mentioned in the Introduction. Thus this condition, were the whole documents are not presented, would cast doubt on the accuracy of the disclosed procurement information.

6.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1. ISSUES RELATED TO CONTRACT PRICE

The first Variation was given for work item of two coats of plastering and gypsum plastering.
According to the PE's approval letter for time extension No 2 dated 22 Nov. 2016 and with ref. No. 014/250/760 and the attached documents with it, variation order No 1 was given by omitting the work item **"three coats of plastering"** and by adding the work item **"two coats of plastering and gypsum plastering".** The value of the variation after addition and omission was ETB 290,946.30 (10,037.65 USD)

The Second variation was given for Armstrong ceiling board.
As the above-mentioned letter indicates Variation No 2 was given to change work item **"chip wood ceiling"** with the work item **"Armstrong ceiling board"** there was no document presented which

shows the reason behind the variation. The value of the variation after addition and omission was ETB 435,871.73 (15,037.57 USD)

The Third variation was for Network infrastructure.

The variation was necessary, according to the consultant's letter No ETG/76.1.3/127/15 dated 27/02/2015 because **the work item was not included** in the contract. According to the PE's approval letter for time extension No 2 dated 22 Nov. 2016 with ref. No. 014/250/760 and the attached documents with it, the additional cost for the this variation might be ETB 212,539.10 (7,332.60 USD). As the complete variation, order documents are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Forth variation was due to **Fence Work**.

As the letter from the consultant dated Dec 19/2014 Ref. No. ETG/76.1.3/104/14 indicates that the variation for fence work item was necessary because the work item **was not included in the contract**. The variation amount as indicated in the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760) might be ETB 1,091,192.88 (37,646.15 USD). As the complete variation, order documents are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Fifth variation was for **ceramic cladding** for lift shaft.

According to the consultant's letter Ref. No. ETG/76.1.3/310/15 dated to Jan 12/2015, the variation to cover the front, left and right side of the shear **wall with ceramic tile was decided by the three parties**. The additional cost for the Fifth variation might be ETB 80,812.81 (2,788.04 USD). As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Sixth variation was for **demolishing and RC-U channel**.

The consultant's letter written on 12/02/2015 Ref No ETG/76.1.3/122/15 indicates that the variation order was to change the contract work item "storm water ditch" with concrete U channel.

The variation amount as indicated on the attached document of the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760) might be ETB 705, 311.43 (24,333.24 USD). Even though the variation order states that there was an omitted item, i.e. "storm water ditch" there is no indication of an omitted work item in the attachment. As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Seventh variation order was for **electric light pole**.

The variation amount, with the value of the variation after addition and omission, as indicated on the attached document of the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760 was in saving of ETB 29,635.20 (1,022.41 USD). As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The eighth variation order was for **duct cover**.

The variation amount, with the value of the variation, as indicated on the attached document of the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760 was ETB 167, 818.22 (5,789.73 USD). As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Ninth variation order was for **fire escape Staircase**.
The variation amount, as indicated on the attached document of the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760 might be ETB 285, 063.70 (9,834.70 USD). As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

The Tenth variation order was for **domestic & fire pump**.
The variation amount, with the value of the variation after addition and omission, as indicated on the attached document of the letter from the consultant dated 22 Nov. 2016 and with ref. No. 014/250/760 might be ETB 3,127,714.50 (107,906.15 USD). As the complete variation order documents, are not presented one cannot be sure of the value and comment on the detail procedure of the process.

According to the only available document, which is a letter for the approval of the time extension No 2, the amount and reason for the ten variations are as described above. However, according to the document for final payment the total sum of all variation is ETB 6,530,511.97 (225,302.66 USD) before 15% VAT that is different to the sum indicated on the provisional acceptance, which is ETB 6,750,853.04 (232,904.43 USD) before 15% VAT. However, the value of the variation is different from the value ETB 6,367,635.47 (219,683.42 USD) which is, indicated on the attached document for time extension approval No 2 and the total payment for price escalation is 1,573,880.10 (54,298.86 USD) before 15%. Taking the final payment document as reference the total variation value is about 21.12 % of the contract value.

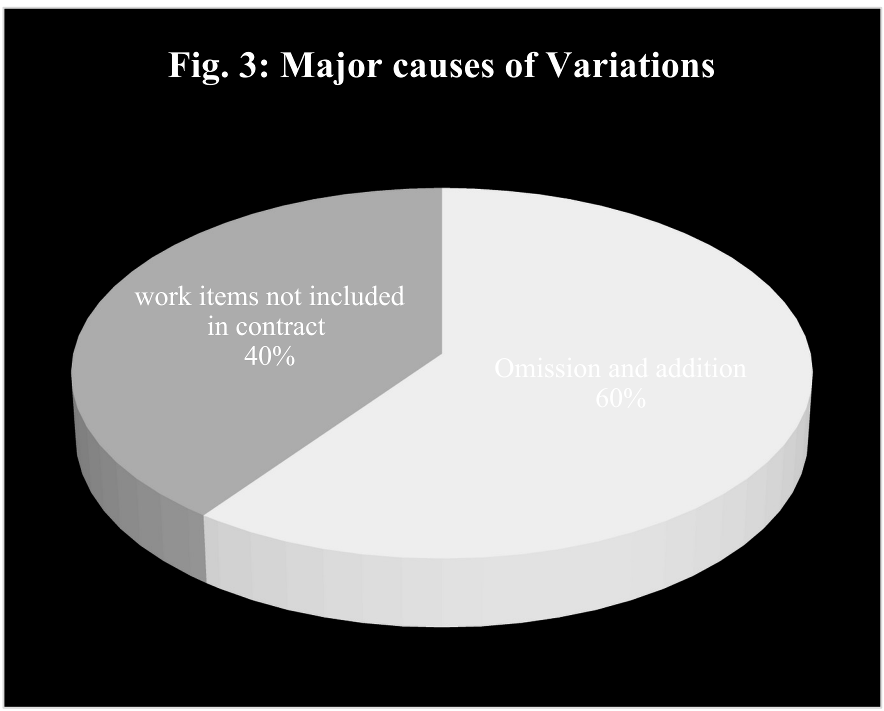
Most of the changes for this contract are due to changes of work item “omission and addition” (Table 2 and Fig. 3). This might be because of design incompleteness and improper document preparation. **Changing material type and quality or work item in the middle of a construction stage** would or might favor the contractor by creating opportunity to have a new unit price free of competition for every new item. Therefore, the PE should have checked the design for completeness and loops that might favor bidders in the long process of construction.

Table 2: Major causes of variations

Variation	Description	Birr

No		Omission and addition	work item was not included in contract
1	two coats of plastering and gypsum plastering	290,946.30	
2	Armstrong ceiling board	435,871.73	
3	Network infrastructure		212,539.10
4	Fence Work		1,091,192.88
5	ceramic cladding for lift shaft		80,812.81
6	demolishing and RC-U channel		705,311.43
7	demolishing and RC-U channel	-29,635.20	
8	duct cover		167,818.22
9	fire escape Staircase		285,063.70
10	Domestic & fire pump	3,127,714.50	
	Total Birr	3,824,897.33	2,542,738.14
	USD	131,958.96	87,724.47
	percentage	60.07	39.93

What is the % of cost increase? It is unclear from the table above.



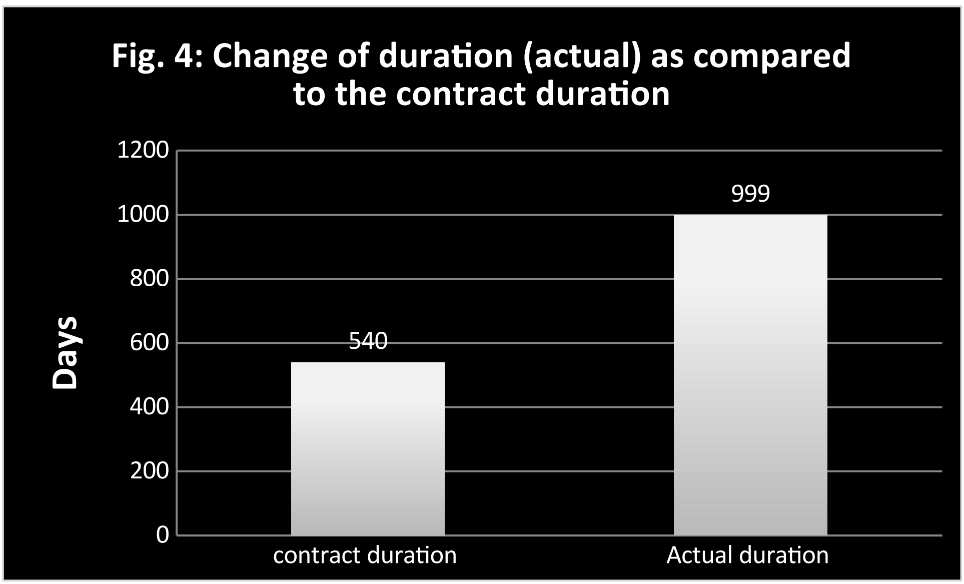
As there are no other documents, which might show details of the variations it is very hard to give further comment on the subject. Because the complete variation order documents are not presented one cannot be sure of the value and the detail procedure of the process. **Thus, further review and assessment of the whole variation order process might be necessary.**

6.2.3.2. ISSUES RELATED TO CONTRACT DURATION

According to the provisional acceptance of the project the contract duration is 540 calendar days, the site handover of the project was conducted on 19/06/2012 G.C. The contractor commenced the project on 04/07/2012 G.C.; the provisional acceptance was conducted on September 20/2016. The total elapsed time of the project up to provisional acceptance according to provisional acceptance document is 1539 calendar days (Fig. 4).

Changes of contract duration as compared to the original contract duration

- The total contract duration of the project is 540 calendar days.
- So far, additional time duration approved by the consultant for the project is 1011 calendar days.
- Duration change compared to the contract duration is about 186 %



According to the available documents, the PE approved presumably two rounds of time extension requests, which sum-up to 1011 calendar days.

The PE does not present the document for the first time extension approval. However, the documents for the second round extension request show that the first round time extension approval was overall 921 calendar days of additional time due to various reasons.

The Second Time extension approval document, according to the letter dated November 22/2016 ref. No. 014/250/760, shows that the total extension time approved is 74 calendar days. The document shows that the approved time extension is

1. because of variation order No 6 which caused time extension of 13 calendar days
2. Because other contractors damped materials on the site by this caused 61calendar days.

The explanation given, show how the whole project was extended by 74 days

One of the causes is because of variation order No 6, which is a work item for demolishing & RC-U channel with overall value of ETB 705,311.43. The indicated calculation to reach to 13 days is by multiplying the average value that the contractor is expected to execute in a day by the value of the variation order

I.e. the contractors average expected execution in a day = 30,927,137.02/540 = 57,272.46

Thus the total days required to execute variation order No 6 is = 705,311.43 /57,272.46 = 12.32 i.e. 13 days.

Even though the calculation seems acceptable, the consultant's letter written on 12/02/2015 ref No ETG/76.1.3/122/15 indicates that the variation order was to change the contract work item "storm water ditch" with concrete U channel. This means that there might be a work item omission that was already planned by the contractor thus this omission may have also been considered.

Altogether, it is not clear if the contractors program have been checked to know if the work item was in the critical path or if there was slack time, if the contractor had executed the work according to the approved revised schedule and so on.

The other cause of the extension according to the document is material dumped on the site by other contractors. This extension should have also been reviewed using the approved updated schedule for that time.

Final summary, for time extension approval

For project owners, lost benefits stem from being unable to make use of the project at the agreed date because of project overrun.

A detailed schedule analysis is required to investigate the events that have actually caused the project to overrun.

When evaluating time extension claims one should consider different conditions in order to reach to the right decision without compromising the conditions of the contract.
Some of them are:

1. The baseline program,
2. The updated programs for the project
3. The effect of the design change on the program.
4. Resolving concurrent delays

The main items that should be answered are:

- ✓ What was supposed to happen?
- ✓ What did actually happen?
- ✓ What were the variances?
- ✓ How did they affect the project schedule?

When reviewing time extension request of a project like this

- ❖ There should be a clear understanding and picture of the whole project schedule,

- ❖ The project's base line schedule and other revised schedules should be taken into consideration,
- ❖ The impact of the additional work item on the progress of the whole project should be analyzed not by considering the single item separately but putting the work item in the whole process,
- ❖ The actual delays by the contractor until the advent of the additional work item, if there are any should also be taken into consideration, and so on.

Thus:
As the PE did not present the document for approved time extension, No 1 it would be hard to give further comments.
However, one can see that the time extension request reviews may have not taken all the other work items included in the contract, which were being executed concurrently into consideration. Furthermore, it is not clear if they are calculated as if each work item had not been included in the existing schedule.

Concerning the second time extension approval, the PE had tried to calculate the time extension by considering different work items, which is bound to be fair. However, it is not clear if those items and conditions that should have been taken in to consideration were reviewed as stated in the above analysis.

The other major issue which should have been considered by the PE during the analysis of time extension approval review was to check whether the work items, during those specific times, are on the critical path of the contractor's approved schedule (if there was any) or not. There are no documents in the only available approved time extension review that show if those conditions were checked during the review of the time extension approvals.

The other item that should have been considered during the review is the contractor's performance on the works that it had planned to execute during the concerned periods. If the contractor did not meet the planned schedule on those particular times, then this should have been taken into consideration when evaluating the time extension approvals. There is no document that shows if this condition was checked during the evaluation for time extension approvals.

Thus, it is from all this points that one can realize that the review and approval process for the time extension requests, which extended the completion of the project by 1011 calendar days or 186 % of the contract time, may have been flawed and not clear and might need further detail assessment of their review process.

In the absence of some of the documents of the project and according to the available documents, for future use one can only give a generalized suggestion that will caution the PE to re-asses its evaluation process for time extension approvals in detail.

6.2.3.3. ISSUES RELATED TO CONTRACT SCOPE

As indicated previously the scope of the construction contract of this project was the construction and completion of **Government Office Building for Civil Service Ministry**

The presented documents have revealed that no significant changes have been made with regard to the scope.

7. CONCLUSION AND RECOMMENDATION

Findings of the assurance process

The PE did not present the required documents for procurement.

- 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.

- Furthermore, 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 The PE should improve its documentation system or even better to establishing a documentation system to maintain documents properly.

- Consequently, it is strongly advised that The PE should improve its documentation system or even better to establishing a documentation system to maintain documents properly.

- As mentioned above since the PE did not present the required documents for procurement. The whole process of procurement will fall in to question. Thus one can ask: -

    - If the PE did 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)".

    - If the PE did use Bid opening manual and other manuals i.e. Thus, it is recommended to use Manual for Minutes on the public opening of bids that is available in the Public Procurement Manual, December 2011 during bid process.

- If the PE had respected the required durations for the procurement process between the opening date and the award date of the bid.

- The other issue is that the PE did not indicate the value of those approved total sums of the different variation orders on some of the covering letters. It might be better to indicate the amounts on the covering letter to avoid ambiguity.
- 10 rounds of variation orders, where most of the orders are material changes and additional work may show if there is lack of Proper and complete design work and document preparation.

- Lack of Proper and complete design work and Site investigation or incorrect site investigation in determining the soil property of the site, may have incurred the PE more cost.

- The PE has granted time extension for conditions that might not be according to the agreement and condition of contract, properly reviewed. That is, the PE granted time extension of 1101 days for time extension, which might not be properly reviewed and calculated.

- Omission and addition of work items, especially from the contract might harm the PE dearly and might be an advantage for the contractor as it will relive it from major items of responsibility. To avoid such changes and omissions the PE and the consultant may have to check designs thoroughly for incompleteness and should clear off ambiguity during the design stage.

- According to the G.C.C clause 62.7 "Unless specifically stated otherwise in the Contract, the basis for compensation will be only those categories of inputs, which are specifically listed as specified items in the SCC." In addition, in G.C.C clause 62.12 there is a formula that require benchmark price index for labor, material and equipment applicable to the contract. However, for this particular project, it is not clear if the conditions stated on the G.C.C were respected and the required documents are available when the PE paid the price escalation payment indicated in the final payment document.

- The administration of the construction contract lacked,

  - 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. 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.

- Properly reviewed and approved time extension requests which are calculated with respect to the baseline and regularly updated and approved programs. That might have helped the PE to evaluate and approve the actual and more accurate time extensions for the project, and the extent and the cause of delay of the completion.

Furthermore, The PE shall make available the following Documents for further review:

- Environmental Impact assessment report
- Land and settlement impact assessment report
- Design, Supervision, contract administration and works procurement documents (full documents 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.
- Detail of Payments issued for design, contract administration service and works contract.
- The original document for bids i.e. evaluation criteria and so on.
- Document or print out showing if the bid announcements were released on the PPPA web site.
- Names and number of bidders who purchased the bid documents.
- Reports of bid opening, evaluation results and result announcement documents.
- Engineering Cost Estimate.
- Content of any complaint lodged on bid evaluation results.
- Construction program (Schedule).The base line and any other revised ones up to the end of the projects.
- Detail Payment documents for all services.
- Construction progress reports (detail reports) of the consultant for 3rd, 6th, 9th, 12th 18th months.
- accidents record (accident & death)

8. 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” mean 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;

“VAT” means Value Added Tax

9. 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 /2019		
	2	Contract title	Construction of Government Office Building for Civil Service Ministry	Construction services for the design review & adaptation	Construction services for the supervision.
	3	Location	Addis Ababa, Ethiopia.		
	4	Procuring entity	Government Office Buildings Construction and Management Bureau		
	5	Source for further information	Not Available	Not Available	Not Available
	6	Date of procurement notice	Not Available (N.A)	Not Available	Not Available
	7	Floating period of the procurement notice	Not Available (N.A)	Not Available	Not Available
	8	Media used for procurement notice	Not Available (N.A)	Not Available	Not Available
	9	Method of Procurement	Not Available (N.A)	Not Available	Not Available
	10	Type of Procurement	Not Available (N.A)	Not Available	Not Available
	11	Procurement Procedure	Not Available (N.A)	Not Available	Not Available
	12	Evaluation criteria	Not Available (N.A)	Not Available	Not Available

		ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	13	Type of contract & project delivery method	Not Available	Not Available	Not Available
	14	Type and Amount of bid security	Not Available	Not Available	Not Available
	15	Content of any complaint lodged	Not Available	Not Available	Not Available
	16	Engineer's estimate	Not Available	Not Available	Not Available
	17	Date of bid opening	Not Available	Not Available	Not Available
	18	Number of bidders: Participated, rejected and declined to submit	Not Available	Not Available	Not Available
	19	Awarded firm/contracting firm	Samuel Sahelemariam Building Contractor.	ETG DESIGNERS & CONSULTANTS PLC	
	20	Date of contract award	19/06/2012 G.C.	Not Available	Not Available
	21	Awarded price/contract price	35,566,200.67 (1,227,033.92 USD)	Not Available	Not Available
	22	Unit Contract price (price/km, price/Sq. meter)	Not applicable	Not applicable	Not applicable
	23	Contract security type and amount	Not Available	Not Available	Not Available
	24	Date of contract signing	June 19/2012	May 25/2011	
	25	Contract scope	Construction of Government Office Building for Civil Service Ministry	Design review & adaptation	Supervision
	26	Description of contract & Contract components	Construction of Ministry of Civil Service Office Building	Design review & adaptation of Ministry of Civil Service Office Building	Supervision of Ministry of Civil Service Office Building
	27	Contract Administration entity	ETG designers & Consultants PLC	Not Available	Not Available
	28	Contract duration	540	30	Up to completion of construction work
	29	Contract start date	July 04/2012	Not Available	Not Available
	30	Intended Completion date	December 26/2013	Not Available	Not Available
		Completeness	14/30	9/30	8/30
		percentage	47%	30%	27%

PHASE		CONTRACT INFORMATION	CONSTRUCTION CONTRACT	DESIGN CONTRACT	SUPERVISION CONTRACT
CONTRACT IMPLEMENTATION	1	Contract status (ongoing (% progress), terminated , completed)	Completed and Provisionally accepted	Not Available	Not Available
	2	Completion date (Actual)	September 20/2016	Not Available	Not Available
	3	Changes to contract duration with reason	1011	Not Available	Not Available
	4	Amount of liquidated damage If applied (penalty for delay)	Not Applied	Not Available	Not Available
	5	Contract price (Actual)	37,713,936.02 (1,301,130.79 USD)	Not Available	Not Available
	6	Changes to contract price with reason	6,530,511.97 (225,302.66 USD)	Not Available	Not Available
	7	Scope to completion	Construction of Government Office Building for Civil Service Ministry	Not Available	Not Available
	8	Changes to contract scope with reason	No change	Not Available	Not Available
	9	Total payment effected	36,894,067.85 (1,272,845.34 USD)	Not Available	Not Available
	10	Warranty type and description	Not Available	Not Available	Not Available
	11	Details of termination if applied	Not Applied	Not Available	Not Available
	12	Safety Measures (accident & death)	Not Available	Not Available	Not Available
	13	Quality of work (very good, good, inferior, impossible to comment)	Not Applicable	Not Applicable	Not Applicable
	14	Disputed issues & award details	Not Available	Not Available	Not Available
		Completeness	10/13	0/13	0/13
		percentage	77%	0	0

PROJECT PHASE		PROJECT INFORMATION	DESCRIPTION
PRELIMINARY PROJECT INFORMATION	1	Date of disclosure	March /2019
	2	Project owner	FDRE Ministry of Urban Development and construction
	3	Project name	Construction of Government Office Building for Civil Service Ministry
	4	Sector, Subsector	Buildings
	5	Source for further information	Not Available
	6	Project Location	Addis Ababa, Ethiopia
	7	Purpose	Office
	8	Project description	Not Available
	9	Original Project Scope	Construction of Government Office Building for Civil Service Ministry
	10	Project components	Design service /supervision and contract Administration /Works
	11	Environmental Impact	Not Available
	12	Land and settlement impact	Not Available
	13	Estimated budget of the project with breakdown of components	Not Available
	14	Funding sources	The government of the federal republic of Ethiopia
	15	Project budget approval date	Not Available
	16	Project start date (planed, actual)	Not Available
	17	Planed / Original duration for completing the whole project	Not Available
	18	Planed / Original cost of the project	Not Available
PROJECT		**PROJECT INFORMATION**	**DESCRIPTION**

PHASE			
PROJECT INFORMATION AT COMPLETION	19	Cost of the project at completion.	Not Available
	20	Changes of project cost with reason	Not Available
	21	Project completion date (Revised, projected, actual)	Not Available
	22	Actual duration for completing the whole project	Not Available
	23	Changes of project duration with reason	Not Available
	24	Project Scope at completion	Not Available
	25	changes of project scope with reason	Not Available
	26	Reference to documents for disclosure upon request (reactive disclosure)	Not Available
		Completeness	9/26
		perecentage	35%

Infrastructure
Transparency
Initiative
Ethiopia

Construction of Airfield in Hawassa Town

Table of Contents

OCTOBER 18, 2019

ASSURANCE PROFESSIONAL: YAREGAL ALI
Addis Ababa, Ethiopia

LIST OF TABLES

LIST OF ACRONYMS

AP	Assurance Professional
BOQ	Bill of Quantity
CoST	Infrastructure Transparency Initiative
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
FEC	Financial Evaluation Committee
FGPPD	Federal Government Public Procurement Directive
FPPPAA	Federal Public Procurement and Property Administration Agency
ICB	International Competitive Bidding
IDS	Infrastructure Data Standard
IPC	Interim Payment Certificate
LCBS	Least Cost Based Selection
NA	Not Applicable
NCB	National Competitive Bidding
NMSG	National Multi Stakeholder Group
No	Number
PE	Procuring Entity (Employer)
PLC	Private Limited Company
QCBS	Quality and Cost Based Selection
TEC	Technical Evaluation Committee
USD	United States Dollar
VAT	Value Added Tax
VO	Variation Order

1. EXECUTIVE SUMMARY

The construction sector plays a vital role in supporting social and economic development, yet it is one of the most susceptible sectors for mismanagement and corruption. Corruption on public sector projects has been known to increase contract prices and result in unnecessary, unsuitable, defective or dangerous projects, often subject to severe delays. The complexity of the causes and types of corruption are such that they cannot be addressed by scattered efforts of institutions.

1.1 CoST - ETHIOPIA

The establishment of Infrastructure Transparency Initiative (CoST) is mainly based on the reduction of corruption and mismanagement and is designed to make construction projects more transparent. It is an international multi-stakeholder program designed to increase transparency and accountability in the construction sector. Greater transparency in the delivery of construction projects is believed to increase accountability and improve project outcomes. CoST seeks to enhance the transparency and accountability of public funded infrastructure projects . It will do this by disclosing to the public 'Infrastructure Data Standard' (IDS) at all stages of the construction project cycle, from the initial identification of the project to the final completion.

CoST – Ethiopia is directed by a National Multi - stakeholder Group Executive Committee (NMSG-EC) that represents the interests of government, the private sector, and civil society.

This assurance report focuses on the reactive disclosure of project information for the construction of Airfield at Hawassa Town.

To ensure that the information released is both accurate and available and is presented in a form that can easily be understood by stakeholders, an independent Assurance Professional (AP) is appointed by the National Multi Stakeholder Group Executive Committee (NMSG - EC) of CoST – Ethiopia who will be responsible for assessing the adequacy and reliability of the disclosed project information.

1.2 OBJECTIVES OF THE PROJECT LEVEL ASSURANCE

The main objective of the assurance process is to help the introduction of sustainable proactive disclosure of project information in PEs and demonstrate the importance of transparency in the publicly funded projects.

1.3 CORE ACTIVITIES OF THE ASSURANCE PROCESS

- Disclosure of project information (by PE) possible by communicating with officials of the responsible parties and cooperating with National Secretariat of the Initiative.
- Verification of the accuracy and completeness of project information disclosed by PE and produce reports as per the Disclosure Standards of CoST – Ethiopia.
- Making site visit to have visual impression of the project and acquiring additional verification as required.
- Presenting the information in understandable format in order to enable the public make informed judgments,
- Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analyzed information reveals.

- Making presentations to NMSG-EC, multi-stakeholder forums, getting feedbacks and refining the report accordingly.

1.4 BRIEF DESCRIPTION OF THE PROJECT AND CONTRACTS INCLUDED IN THE REPORT

Date of Disclosure	
Name of the AP	Yaregal Ali
Name of the Project	Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete)
Project Location	Southern Nations, Nationalities and Peoples Regional State (SNNPRS), Sidama Zone, Hawassa Town.
List of Contracts	1. Consultancy Services for Detailed Engineering Design and Tender Document Preparation of Runway, Taxiway, Apron and Access Road; 2. Consultancy Service for the Construction Supervision and Contract Administration; 3. Construction Works of the Airfield.
Name of Employer (PE)	The Federal Democratic Republic of Ethiopia, Ethiopian Airports Enterprise
Name of Contractor	YOTEK Construction PLC – for Construction of the Airfield.
Name of Consultants	• SABA Engineering PLC - for the Consultancy Service of Construction Supervision and Contract Administration; • Transport Construction Design Share Company - for the Consultancy Service of Detailed Engineering Design and Tender Document Preparation of Runway, Taxiway, Apron and Access Road.

1.5 SUMMARY OF FINDINGS AND CAUSES OF CONCERN

The project has entertained three Contracts for the procurements of Design Service, Construction Supervision and Contract Administration Service and Works. With the available information it was possible to review and analyze PE's performance on the procurement process after bid opening and Contract implementations of all bids. Due to lack of information, however, it was not possible to include in this report, except some, the review and analysis of procurement process performed before bid opening and also, to some extent, after bid opening and contract implementation.

It is observed that the procurement process, starting from the date of bid opening, of the three Contracts more or less followed the requirements of Federal Government Public Procurement Directive. Moreover, the PE has shown good performances on implementing the Contracts except with some basic issues observed on Works Contract with respect to significant changes to contract scope. In this regard, the following causes of concern are observed which can be taken as input to the PE for further action and a good lesson to the performance of future projects.

1.5.1 SIGNIFICANT CHANGES TO CONTRACT SCOPE - WORKS CONTRACT

During construction period the following changes to the original scope of works have been issued at different times to perform the following:

- Construction of 500m Runway extension;
- Construction of Artificial Side Ditch and Channelization of Access Road;
- Construction of 4.7km Access Road to the Airport including 22m span Girder Bridge;
- Slope flattening including supply of loam soil and grassing work.

The consequence of additions of the above major works on the original contract were not simple and resulted to have significant increases on both duration and price over the original contract amount. Due to this, three variation orders have been issued with a total amount of ETB 87,194,938.97 (*USD 2,911,350.22) before VAT and one supplementary agreement with amount of ETB 20,005,742.41 (*USD 667,971.37) before VAT. The changes to price were about 29.67% of the original Contract value. 503 calendar days of time extensions have been given for changes to the contract which was about 75% of the original Contract duration. In general, lack of proper preparation is observed and this affected the project by increasing its cost and time.

Originally the runway of the airfield was planned to be constructed with 2500m length. However as per the directive of the PE, it was required to extend the runway to 3000m. So 500m runway extension was issued as a variation to the contractor which resulted to an increase of about 12% of additional price to the original contract price and correspondingly extended the intended completion period substantially. The lack of clear cut on determining the runway length before invitation of the bid was observed as the main reason for the problem.

The inclusion of 4.7km access road to the airport including 22m span Girder Bridge has also constituted a significant increase both in duration and price from the original contract amount. There is no clear information why the construction of the access road was previously not included on the main contract. It is clear that the need of the access road was crucial as the location of the airfield is far from the main highway. Due to lack of information, it was not possible to analyze the PE's idea as well as the Designer comment in this respect.

1.5.2 PRICE ADJUSTMENT

Price adjustment has been made over the contract with a total amount of ETB -28,057,427.40 (USD 936,808.93) before VAT and this amount has been decreased from final payment certificate which is appreciated. It is highly recommended to implement this experience in similar projects.

Note: An exchange rate of USD to Birr (1 USD = 29.95 Birr) is made using the rate (selling) at the time of the report writing October 17, 2019)

RECOMENDATIONS

The problem in acquiring complete information was observed on almost all PEs which requires concrete solution. Therefore, the MSG should draw its attention on building the capacity of the PEs on managing and maintaining all the required project documents in an appropriate way and in compliance with the requirements of Ethiopian Government Procurement and Property Administration Proclamation, FGPP Directive, Financial Administration Proclamation, etc.

Another key recommendation made to the PE is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation.

2. INTRODUCTION

The National Multi-Stakeholder Group Executive Committee (NMSG - EC) of CoST-Ethiopia has employed an Assurance Professional to disclose the IDS of Hawassa Town Airfield project and undertake verification, analysis and interpretation so that the disclosed information is both accurate and available in a form that can easily be understood by stakeholders.

This assurance report includes the disclosure of IDS of Hawassa Town Airfield project and describes the findings of the assurance process that has been undertaken on the disclosed information. The assurance process includes:

- Disclosure of project information (by PE). Information is disclosed as per Standard Disclosure Template of CoST – Ethiopia.
- Verification of the accuracy and completeness of project information disclosed by PE and produce reports as per the Disclosure Standards of CoST – Ethiopia;
- Making site visit to have visual impression of the project and acquiring additional verification as required;
- Presenting the information in understandable format in order to enable the public make informed judgments,
- Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analyzed information reveals.
- Highlighting the main findings and cause for concern the analyzed information reveals.
- Making presentations to NMSG-EC, multi-stakeholder forums, getting feedbacks and refining the report accordingly.

2.1 CHALLENGES OF THE ASSURANCE PROCESS

The assurance process was carried out in smooth way except minor challenges of the PE on providing project information timely. The problem was, however, solved upon PE's receipt of clarification letter from CoST – Ethiopia. The PE then became cooperative and availed the required information. The PE has made full access to almost all project files and major part of information was possible to disclose in this report. Nevertheless, some documents couldn't be traced easily on project files. Due to this, it was not possible to disclose full project information as per the requirement of Standard Disclosure Template of CoST – Ethiopia.

2.1.1 LISTS OF UNAVAILABLE DOCUMENTS

- Project Appraisal
  - Feasibility study,
  - Project budget approval date,
  - Estimated budget of the project,
  - Planned/ Original duration for completing the whole project.

- Design Service
  - Bid invitation,

- Bid document,
- Contract agreement document,
- Engineer's Estimate,
- Safety measures (accident & death),
- Quality of work, and
- Disputed issues and award details.

- Supervision Service
  - Bid invitation,
  - Bid Document,
  - Letter of commencement of the service,
  - Engineer's Estimate,
  - Safety Measures (accident and death),
  - Quality of work, and
  - Disputed issues and award details.

- Works
  - Bid invitation,
  - Engineer's Estimate,
  - Bid Document,
  - Safety Measures (accident and death),
  - Quality of work, and
  - Disputed issues and award details.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 PROJECT OVERVIEW

The project was planned to be implemented using Design-Bid-Build project delivery method. Accordingly, the PE has carried out the procurement of Design Service, Contract Administration and Construction Supervision Services and Works in phases separately. Due to lack of information it was not possible to disclose the official start date of the project. The information made available was the date of bid opening (27/10/2005 E.C) of Design Service which the PE has initially carried out the procurement processes for the project. In addition, subsequent procurement processes have been performed for the Consultancy Service of Construction Supervision and Contract Administration and Works. After performing the necessary procurement processes on bidder's proposals, the PE has then interred into the following three contracts with the winners of the respective bids.

- Contract for the provision of Detailed Engineering Design and Tender Document Preparation, on 23-09-2013, with Transport Construction Design Share Company, for an amount of ETB 1,626,091.95 (USD 54,293.55) including 15% VAT
- Contract to carry out Consultancy Service of Construction Supervision and Contract Administration, on 15-07-2014, with SABA Engineering PLC, for an amount of ETB 166,278.50 (USD 5,551.87) including 15% VAT for monthly Supervision and ETB 43,884.00 (USD 1,465.24) including 15% VAT for the duration of defect liability period
- Contract to construct the Airfield project (within 730 Calendar days), on 12-12-2014, with YOTEK Construction PLC, for an amount of ETB 457,344,712.29 (USD 15,270,274.20) including 15% VAT

The project was completed and acceptance made on January 05, 2019.

3.2 SCOPE OF THE PROJECT

The scope of the project includes the following major works:

- 3000m (long) x 45m (wide) - 500m extension additional work issued through variation - runway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 45m wide stripping section with 150mm loam soil over 250mm sub base layer on both sides.
- 60m x 60m stop-way at both ends paved with 100mm asphalt concrete and 250m (long) by 150m (wide) overrun section at both ends with 150mm Loam soil over 250mm sub base. Total graded section of the runway is 3.62 km long and 150m wide.
- 294m long Taxiway with variable width, paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on both sides.
- 250m by 150m apron paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on all sides.
- 4.7km long and 6m wide access road to the Airport including 22m span Girder Bridge. This is an additional work issued through variation.

3.3 SOCIO ECONOMIC BENEFITS OF THE PROJECT

It has been found to be of paramount importance to provide better transport services through air transport to Hawassa town as the town is becoming one of the major industrial centers for highly strategic developmental investments. The town is also an important tourist destination, both for local and foreign, for its colorful attractions and diverse cultures of nations and nationalities of the southern region. Furthermore, the modern hotel and resort facilities in the town, along with the beautiful Lake of Hawassa, have made the town one of the finest options to spend holidays and vacations for people from all corners of the country.

3.4 UNDESIRED IMPACTS OF THE PROJECT

In the contract document it is stated that the project could have negative impacts on the physical environment and communities. To reduce the undesired impacts, the following mitigation measures were identified:

- Landscape and preservation,
- Soil erosion control,
- Prevention of tree and shrubbery,
- Prevention of water pollution,
- Abatement of air, dust, noise and light Pollution,
- Prevention of historical, archeological and cultural remains,
- Clean-up and disposal of waste materials,
- Health and safety.

3.5 SOURCE OF FUNDING AND PROJECT COST

The source of funding for the project was the Federal Democratic Republic of Ethiopia. Due to lack of information, it was not possible to disclose the total project cost.

3.6 PROJECT DURATION

Due to lack of information, it was not possible to disclose the official start date of the project. The only information made available was the date of bid opening (27/10/2005 E.C) of design service, when the PE has initially carried out the procurement processes for the project. The project was completed and provisional acceptance of Works Contract was made on August 04, 2017.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN SERVICES

4.1 DISCLOSURE OF PROCUREMENT INFORMATION

4.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

The procurement of Design Service Contract has involved certain stages of evaluation process to select the winner of the bid. The scope of Service includes Detailed Engineering Design and Tender Document Preparation of Runway, taxiway, apron and access road project at Hawassa Town.

Due to lack of information, it was not possible to disclose the date of invitation and media used for the bid announcement. However, the bid was opened on 27/10/2005 E.C, 10:30 AM in the presence of bidders' representatives and five (5) Consulting Firms, listed in Table 4.1, were known to have submitted their qualification applications and financial offers in separate sealed envelopes.

Table 4.1: Lists of applicants who have submitted their applications for post qualifications and financial offers

Item No.	Applicants	Country of Registration
1	Classic Consulting Engineers PLC	
2	CORE Consulting Engineers PLC	Ethiopia
3	Transport Construction Design Share Company	Ethiopia
4	Acute Engineering JV with Ethio-Infra Engineering	
5	Icon Engineering JV with RAMA Consults PLC	

The bid evaluation was carried out in two stages and with Quality - Cost based selection criteria.

The first evaluation was done on the submittal of bidders' technical proposal. According to the evaluation result, all bidders were responsive scoring above 70% as per the criteria as shown in Table 4.2.

Table 4.2: Lists of technically responsive bidders and their results

Item No.	Applicants	Technical Evaluation Results
1	Classic Consulting Engineers PLC	82.10%
2	CORE Consulting Engineers PLC	98.78%
3	Transport Construction Design Share Company	92.18%
4	Acute Engineering JV with Ethio-Infra Engineering	88.80%
5	Icon Engineering JV with RAMA Consults PLC	84.20%

On 15/11/2005 E.C the PE has made known to all bidders the final results of technical evaluation and allowed five working days to receive complaints, if there were any, on the evaluation results.

Accordingly, based on the available information, two (2) bidders, listed in Table 4.3, have lodged their complaints.

Note: Due to lack of information, it was not possible to disclose the overall complaints lodged by the bidders and also the PE's response on the complaints of the two bidders listed in Table 4.3.

Table 4.3: List of bidders and complaints lodged on the technical evaluation results

Item No.	Applicants	Complaints lodged
1	Acute Engineering JV with Ethio-Infra Engineering	in relation to points given on bidder's experiences
2	Icon Engineering JV with RAMA Consults PLC	in relation to points given on bidder's experiences and personnel

The PE has furthermore evaluated bidders' submittal of financial offers and finally concluded the bid evaluation in accordance with the aggregated result of both technical and financial evaluations. The bidders' financial offer and the final result of the bid evaluation are shown in Table 4.4 and Table 4.5 respectively.

Table 4.4: List of technically responsive bidders and their financial offer

Item No.	Applicants	Bidders' Financial Offer (in ETB)
1	Classic Consulting Engineers PLC	2,027,807.65 (USD 67,706.43)
2	CORE Consulting Engineers PLC	4,223,950.00 (USD 141,033.39)
3	Transport Construction Design Share Company	1,626,091.95 (USD 54,293.55)
4	Acute Engineering JV with Ethio-Infra Engineering	2,140,953.05 (USD 71,484.24)
5	Icon Engineering JV with RAMA Consults PLC	2,684,409.25 (USD 89,629.69)

Table 4.5: List of technically responsive bidders and their bid evaluation results

Item No.	Applicants	Technical Evaluation (80%)	Financial Evaluation (20%)	Aggregate (100%)
1	Classic Consulting Engineers PLC	65.68%	16.04%	81.72%
2	CORE Consulting Engineers PLC	79.02%	7.70%	86.72%
3	Transport Construction Design Share Company	73.74%	20.00%	93.74%
4	Acute Engineering JV with Ethio-Infra Engineering	71.04%	15.19%	86.23%
5	Icon Engineering JV with RAMA Consults PLC	67.36%	12.12%	79.48%

According to the result of bid evaluation, Transport Construction Design Share Company has scored the highest aggregate result and become the winner of the bid with an amount of ETB 1,626,091.95 (USD 54,293.55) including 15% VAT.

On 13/12/2005 E.C, the PE has notified to all bidders the final result of bid evaluation and allowed five working days for complaints, if there were any, on the final evaluation results of the bid.

There is no clear information of bidders' response on the final result of bid evaluation. However, on 26-08-2013, the PE issued letter of acceptance to the winner of the bid, Transport Construction Design Share Company.

Accordingly, on 23-09-2013, the PE entered into Contract with Transport Construction Design Share Company for the Consultancy Service of Detailed Engineering Design and Tender Document Preparation of Runway, Taxiway, Apron including Access Road design at Hawassa Town.

4.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.2.1 COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

The PE has made available the following documents for the disclosure of procurement information:

- Tender Evaluation Report;
- Letter of Acceptance;
- Professional Indemnity; and
- Handing over document.

With the available information it was possible to get twenty-one (21) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The absence of contract document, bid invitation document and engineer's estimate resulted information gap of disclosure for the items listed hereunder in Table 4.6.

Table 4.6: Lists of missed Item of disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document
1	Date of procurement notice	Bid invitation document
2	Floating period of the procurement notice	Bid invitation document
3	Media used for procurement notice	Bid invitation document
4	Type of contract	Design contract agreement
5	Type and Amount of bid security	Bid invitation document
6	Engineer's estimate	Design cost estimate document (allocated budget)
7	Unit Contract price (price/km)	Design contract document
8	Contract duration	Design contract agreement
9	intended completion date	Design contract agreement

4.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The disclosed items are obtained from primary sources and the all pieces of information are accurate. However, the information with respect to bid opening date, type and method of procurement, date of contract signing and contract start date were disclosed referring secondary sources.

4.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Due to lack of bid advertisement document, it was not possible to analyze the type of media used for the advertisement and sufficiency of floating period for the bid in compliance with the procurement directive.

4.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS (TIMELINESS)

The PE has opened the bid on 27/10/2005 E.C (July 04, 2013). After carrying out the necessary evaluations and approvals based on submittals of technical and financial proposals, the PE has finally forwarded letter of acceptance to the winner on 26-08-2013. From this, it is possible to see that the period to finalize the procurement process has taken about 53 calendar days.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), *'Public bodies have to complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders …'* In the absence of information of Bid Validity Period of the bid, it is difficult to judge whether or not the PE has carried out the procurement process efficiently.

4.1.3.3 FAIRNESS OF THE PROCUREMENT ON PARTICIPATION

It has been observed that five bidders have submitted their qualification applications for the bid. Due to lack of information on the number of bidders who bought the tender documents and declined to submit their proposals, it was not possible to analyze the fairness of procurement rules on participation.

4.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities.

- Envelopes were opened in the presence of Bidders and/or their representatives.
- The PE has formally and timely announced results of technical and financial evaluations to bidders and was opened for complaints.
- Records of complaints lodged by two Bidders were retained and made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening and also PE's response on bidders' complaints.

4.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of bid document, it was not possible to analyze the objectivity of tender evaluation and award criteria.

4.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

In the absence of Engineer's Estimate of the service contract, it was not possible to justify whether the award price is competitive or not.

4.1.3.7 OVERVIEW OF CONTRACT MILESTONES: ORIGINAL SCOPE, TIME AND COST

The scope of the contract includes Detail Engineering Design and Tender Document Preparation of Runway, taxi way and aprons. The Design Service Contract was signed on 23-09-2013 with a Contract price of ETB 1,626,091.95 (USD 54,293.55) including 15% VAT.

Due to lack of primary information, it was not possible to disclose the duration, start and intended completion of the contract. However, by referring secondary sources, the design was known commence on October 19, 2013.

4.2 DISCLOSURE OF CONTRACT INFORMATION

4.2.1 OVERVIEW OF THE CONTRACT

Signing of the design service contract with Transport Construction Design Share Company was made on 28-03-2013. The original contract amount was ETB 1,626,091.95 (USD 54,293.55) including 15% VAT. Due to lack of information, the start date and intended completion date of the contract couldn't be disclosed in this report. However, the actual start and completion dates of the contract were October 19, 2013 and July 03, 2014, respectively.

4.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

4.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information:

- Consultant letter for submission of Final Design report;
- Approved payment certificates – Final; and
- Consultant request of payment certificates – Final.

With the available information, it was possible to get five (5) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. However, due to lack of information the following items of contract information couldn't be disclosed in this report:

- Information related to Changes to contract duration, price and scope;
- Amount of liquidated damage if applied (penalty for delay);
- Safety measures (accident and death);
- Quality of work; and
- Disputed issues and award details.

4.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Primary sources of documents are used for verification and the disclosed pieces of information are checked to be accurate.

4.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1 ISSUES RELATED TO CONTRACT PRICE

Due to lack of information, it was not possible to analyze changes to contract price.

4.2.3.2 ISSUES RELATED TO CONTRACT DURATION

Due to lack of information, it was not possible to analyze changes to contract duration.

4.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

Due to lack of information, it was not possible to analyze changes to contract scope.

5. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONTRACT ADMINISTRATION AND SUPERVISION SERVICES

5.1 DISCLOSURE OF PROCUREMENT INFORMATION

5.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

Due to lack of information, it was not possible to disclose the date and media used for to invite bidders. The bid was opened on 09/07/2006 E.C, 2:30 PM in the presence of bidders' representatives, and three (3) consulting firms, listed in Table 5.1, have submitted their qualification applications and financial offers in separate sealed envelopes.

Table 5.1: Lists of applicants who have submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	SABA Engineering PLC	Ethiopia
2	CORE Consulting Engineers PLC	Ethiopia
3	NET Consult Consulting Engineers PLC	Ethiopia

On 09/07/2006 E.C, the Procurement Authorization Team-1 of the PE has forwarded to Airport Infrastructure Directorate a letter along with the necessary documents to form a Technical Evaluation Committee and proceed with the evaluation of bidders' technical proposals and finally submit the results until 16/07/2006 E.C.

Same date, the Technical Evaluation Committee has forwarded to the Procurement Authorization Team-1 the evaluation results of bidders' technical proposals.

Table 5.2: Initial technical evaluation results

Item No.	Applicants	Technical Score
1	SABA Engineering PLC	92.80%
2	CORE Consulting Engineers PLC	91.10%
3	NET Consult Consulting Engineers PLC	86.80%

One bidder, NET Consult, has lodged its complaints on the technical evaluation result to request the PE, through letter of ref. no. Net/HO-1994/14 dated 26/03/2014, for correction on: work plan; Methodology and personnel.

On 25/07/2006 E.C, the Technical Evaluation Committee has accepted the bidder's complaint and again forwarded to the Procurement Authorization Team-1 the revised evaluation results of bidders' technical proposals.

Table 5.3: Final results of technical evaluation

Item No.	Applicants	Technical Score
1	SABA Engineering PLC	92.80%
2	CORE Consulting Engineers PLC	91.10%
3	NET Consult Consulting Engineers PLC	91.60%

All of the three bidders have scored above 70% and, as per the evaluation criteria, were technically responsive.

On 07/08/2006 E.C, at 2:30 PM, the Financial bid of the technically responsive bidders were opened in the presence of their representatives.

On 15/08/2006 E.C, the Airport Infrastructure Directorate has assigned three members of Financial Evaluation Committee to proceed with the evaluation of financial offers of bidders.

On 16/08/2006 E.C, the Financial Evaluation Committee has forwarded evaluation results of bidders' financial offers to the Procurement Authorization Team-1.

On 12/09/2006 E.C, the Procurement Authorization Team-1 has forwarded the final evaluation results of the bid to Airport Infrastructure Directorate for final decision.

The bidders' financial offer and the final result of the bid evaluation are shown in Table 5.4 and Table 5.5 respectively.

Table 5.4: Lists of Technically Responsive Bidders and their Financial Offer

Item No.	Applicants	Bidders' Financial Offer
1	SABA Engineering PLC	ETB 210,162.50 (USD 7,017.11)
2	CORE Consulting Engineers PLC	ETB 296,412.50 (USD 9,896.91)
3	NET Consult Consulting Engineers PLC	ETB 337,525.00b (USD 11,269.61)

Table 5.5: Lists of Technically Responsive Bidders and their Bid Evaluation Results

Item No.	Applicants	Technical Evaluation (80%)	Financial Evaluation (20%)	Aggregate (100%)
1	SABA Engineering PLC	74.24%	20.00%	94.24%
2	CORE Consulting Engineers PLC	72.88%	14.18%	87.06%
3	NET Consult Consulting Engineers PLC	73.28%	12.45%	85.73%

According to the result of bid evaluation, SABA Engineering PLC has scored the highest aggregate result and become the winner of the bid with an amount of ETB 166,278.50 (USD 5,551.87) including 15% VAT for monthly Supervision and ETB 43,884.00 (USD 1,465.24) including 15% VAT for defect liability period.

On 23/05/2014 the PE issued a letter of acceptance to the winner of the bid.

On 15-07-2014, the PE entered into contract agreement with SABA Engineering PLC to carry out Consultancy Service of construction supervision and Contract Administration of runway, taxiway, apron and access road project at Hawassa town.

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 following documents for the disclosure of procurement information:

- Tender evaluation report;
- Letter of acceptance;
- Contract agreement; and
- Professional indemnity.

With the available information from PE, it was possible to get twenty-two (22) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The basic reasons for the information gap, listed hereunder in Table 5.4, were absence of bid invitation document, Engineer's estimate and PE's letter to commence the service.

Table 5.6: Lists of missed Item of Disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document	Remark
1	Date of procurement notice	Bid invitation document	
2	Floating period of the procurement notice	Bid invitation document	
3	Media used for procurement notice	Bid invitation document	
4	Type and amount of bid security	Bid invitation document	
5	Engineer's estimate	Supervision cost estimate document (allocated budget)	Usually not practiced for Supervision service
6	Unit contract price		
7	Contract start date	PE's letter to commence the service	
8	intended completion date	PE's letter to commence the service	

5.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The Procurement Information of Contract Administration and Construction Supervision Services are obtained from original sources. In the absence of bid invitation document, however, the disclosure of bid opening date, type and method of procurement were taken from secondary sources.

5.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Due to lack of bid advertisement document, it was not possible to analyze the appropriateness of media used for the advertisement and sufficiency of floating period for the bid.

5.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS

The PE opened the bid on 09/07/2006 E.C. After carrying out the necessary evaluations and approvals on submittals, of technical and financial proposals, it forwarded letter of acceptance to the winner on 23/05/2014 (15/09/2006 E.C). From this, it is possible to see that the period to finalize the procurement process has taken 65 calendar days.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), *'Public bodies have to complete bid process within the validity period of bid documents and sign contracts with successful bidders …'* In the absence of information of Bid Validity Period, it is difficult to judge whether or not the PE has carried out the procurement process within the time limt.

5.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

It has been observed that few bidders have participated on the Bid. Only three (3) bidders have submitted their qualification applications and financial offers for the Bid. Due to lack of information on the number of bidders who bought the tender documents and declined to submit their proposals, it was not possible to analyze the fairness of procurement rules on participation.

5.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities:

- The bid was opened public, in the presence of Bidders or their representatives;
- The PE has formally and timely notified the results of technical evaluation and allowed sufficient time for complaints;
- Records of complaints lodged by the bidders and the corresponding responses are retained and made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening. The request made by one bidder for clarification on the bid document was the only information for the segment before bid opening date.

5.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of bid document, it was not possible to analyze the objectivity of tender evaluation and award criteria.

5.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Due to lack of information of cost estimate, it was not possible to analyze the competitiveness of the award price.

5.1.3.7 OVERVIEW OF CONTRACT MILESTONES: ORIGINAL SCOPE, TIME AND COST

The service contract was intended to administer and supervise the construction works of the project in accordance with the required contract provisions. The PE has signed the original service Contract for an amount of ETB 166,278.50 (USD 5,551.87) including 15% VAT for monthly Supervision and ETB

43,884.00 (USD 1,465.24) including 15% VAT for defect liability period. The contract duration was 730 days plus the defect liability period. Due to lack of information, it was not possible to disclose the contract commencement date.

5.2 DISCLOSURE OF CONTRACT INFORMATION

5.2.1 OVERVIEW OF THE CONTRACT

Signing of the Contract was made on 15-07-2014. The contract duration was 730 days plus the defect liability period.

The contract was subjected to changes both in price and duration. During service period, a supplementary agreement has been made between PE and the Consultant for an amount of ETB 213,839.09 (USD 7,139.87) to carry out design service of 4.9km access road.

5.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information:

- Approved interim payment certificate – final (IPC 37),
- Contract agreement; and
- Supplementary agreement.

With the available information, it was possible to get seven (7) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The following items of contract information could not be availed:

- Changes with respect to contract duration and Price;
- Amount of Liquidated Damage if applied (Penalty for delay);
- Warranty type and description;
- Safety Measures (accident and death);
- Quality of work; and
- Disputed issues and award details.

5.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Primary sources of documents were used for verification and the disclosed information are accurate.

5.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO CONTRACT PRICE

The contract was subjected to an additional cost due to the extended time of works contract. The total payment effected were ETB 4,643,162.78 (USD 155,030.48) including VAT for main contract and ETB 213,839.09 (USD 7,139.87) for supplementary agreement.

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

Due to lack of information it was not possible to analyze changes to contract duration.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

The consultant has carried out design service for 4.9km Access Road in addition to the original contract scope.

6. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR WORKS CONTRACT

6.1 DISCLOSURE OF PROCUREMENT INFORMATION

6.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

The procurement notice of invitation for the works contract was published on July 5/2014. The type of procurement was National Competitive Bidding (NCB). Pursuant to the notice of invitation, twenty-eight (28) applicants have collected the tender documents before the deadline for submission of applications.

Table 6.1: Lists of Applicants who have collected the tender documents

Item No.	Applicants	Country of Registration
1	Nasew Construction PLC	Ethiopia
2	YOTEK Construction PLC	Ethiopia
3	Teklebrehane Ambaye Construction PLC	Ethiopia
4	CCECC Ethiopia C. PLC	
5	Rama Construction	Ethiopia
6	Alemayehu Ketema GC	Ethiopia
7	Aser Construction PLC	Ethiopia
8	SUNSHINE Construction	Ethiopia
9	Akir Construction PLC	Ethiopia
10	Awash Welday General Contractor	Ethiopia
11	Ethio General Contractor	Ethiopia
12	Yemane Girmay General Contractor	Ethiopia
13	Yirgalem Construction PLC	Ethiopia
14	YENCOMAD Construction PLC	Ethiopia
15	Diriba Defersha General Construction	Ethiopia
16	CRBC Addis Engineering PLC	
17	Macro General Construction PLC	Ethiopia
18	Sur Construction	Ethiopia
19	Tewodros Abera Building Contractor	Ethiopia
20	Eshetu Lemma Road Contractor	Ethiopia
21	Simplex Infrastructure Ltd.	
22	China Gezhouba Group Company	
23	DMC Construction PLC	Ethiopia
24	Bokra Construction	Ethiopia
25	Geometra Lawing Varnero PLC	
26	Henok & Family General Business PLC	Ethiopia
27	MIDROC Construction	Ethiopia
28	Defense Construction Enterprise	Ethiopia

Among the twenty-eight (28) applicants who have bought the tender documents, fourteen (14) ,see Table 6.2, have submitted their qualification applications and financial offers in separate sealed envelopes before/on August 29, 2014, 2:30 PM.

Table 6.2: Lists of applicants who have submitted their applications for post qualifications and financial bids

Item No.	Applicants	Country of Registration
1	Ethio General Contractor	Ethiopia
2	CCECC Ethiopia C. PLC	
3	CRBC Addis Engineering PLC	
4	DMC Construction PLC	Ethiopia
5	SUNSHINE Construction	Ethiopia
6	Alemayehu Ketema GC	Ethiopia
7	Akir Construction PLC	Ethiopia
8	Bokra Construction Trading PLC	Ethiopia
9	YENCOMAD Construction PLC	Ethiopia
10	Sur Construction	Ethiopia
11	MIDROC Construction	Ethiopia
12	Rama Construction	Ethiopia
13	Aser Construction PLC	Ethiopia
14	YOTEK Construction PLC	Ethiopia

Evaluation of the bid was carried out in two stage procedures, namely, Post Qualification and Financial Bid Evaluation. A bidder has to score a minimum of 70% to qualify financial stage.

At the time of bid opening, the Procurement Authorization Team-1, representing the PE, has opened the envelope of technical proposal submittals in front of the bidders' representatives.

On 27/12/2006 E.C, the Procurement Authorization Team-1 of the PE has forwarded a letter, along with the necessary documents to Airport Infrastructure Directorate to form a Technical Evaluation Committee and proceed with the evaluation of bidders' technical proposals.

On 15/01/2007 E.C, the Technical Evaluation Committee forwarded the evaluation results of bidders' technical proposals to the Procurement Authorization Team-1.

Out of fourteen (14), who submitted their applications, one (1) bidder was rejected due to stating its financial offer on the technical proposal document. Thirteen (13) bidders are evaluated and out of them eight bidders found to be technically responsive scoring above the minimum required point (70%).

Table 6.3: Lists of Technically Responsive Bidders

Item No.	Applicants	Country of Registration
1	SUNSHINE Construction	Ethiopia
2	Akir Construction PLC	Ethiopia
3	YOTEK Construction PLC	Ethiopia
4	DMC Construction PLC	Ethiopia
5	SUR Construction	Ethiopia
6	YENCOMAD Construction PLC	Ethiopia
7	CRBC Addis Engineering PLC	
8	Rama Construction	Ethiopia

Bidders' Complaint:

One of the bidders has lodged complaint on the technical evaluation result. The bidder's complaint was on the evaluation of the bidder's machineries, rock crusher, crusher, asphalt paver, and batching plant. The bidder scored nil for the aforementioned items. The bidder's complaint was discussed by the Technical Evaluation Committee and made the necessary checking with the concerned authority to verify the correctness of submitted documents of machineries. However, bidder's complaint couldn't get acceptance due to lack of justification for the submitted documents to verify if the machineries are the bidder's property.

On 04/02/2007 E.C, at 2:30 PM, the Financial bid of the above technically responsive bidders were opened in the presence of their representatives.

On 05/02/2007 E.C, the Procurement Authorization Team-1 has forwarded a letter, along with the necessary documents, to Airport Infrastructure Directorate to form a Financial Evaluation Committee.

On 05/02/2007 E.C, the Airport Infrastructure Directorate assigned four members to the Financial Evaluation Committee to proceed with the evaluation of bidders' financial proposals.

On Oct. 23/2014, members of the Financial Evaluation Committee concluded the financial evaluation. According to the result of bid evaluation, YOTEK Construction PLC has scored least offer and become the winner of the bid with an amount of ETB 457,344,712.29 (USD 15,270,274.20) including 15% VAT.

On 11-12-2014, the PE issued a letter of acceptance to YOTEK Construction PLC.

On 12-12-2014, the PE has entered into Contract Agreement with YOTEK Construction PLC for an amount of ETB 457,350,361.93 (USD 15,270,462.84) including 15% VAT to construct the Airfield (runway, taxiway and apron with asphalt Concrete) at Hawassa Town within 730 days.

6.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.2.1 COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

With the available information from PE, it was possible to get twenty-seven (27) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The absence of copy of Bid Invitation and Engineer's Estimate documents were the basic reasons for the information gap. Missing data and the associated documents are listed Table 6.4.

Table 6.4: Lists of missed Item of Disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document	Remark
1	Media used for Advertisement	Bid Invitation Document	
2	Engineer's estimate	Works Engineer's Cost estimate Document	
3	Unit Contract price (price/km)		

6.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The Procurement Information of works contract disclosed on CoST-Ethiopia Disclosure Template are mainly referred from original sources. In the absence of copy of bid invitation document, however, bid opening date, type and method of procurement are taken from tender evaluation report and can be taken as secondary source information. On the other hand, the disclosure of date of procurement notice, floating period of the procurement notice, bid security type and amount were referred from tender evaluation report.

6.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Media used for Bid Advertisement: Due to lack of information, it was not possible to disclose the type of media used for the advertisement and analyze in compliance with Article 16.2/1 of the Federal Public Procurement Directive (2010).

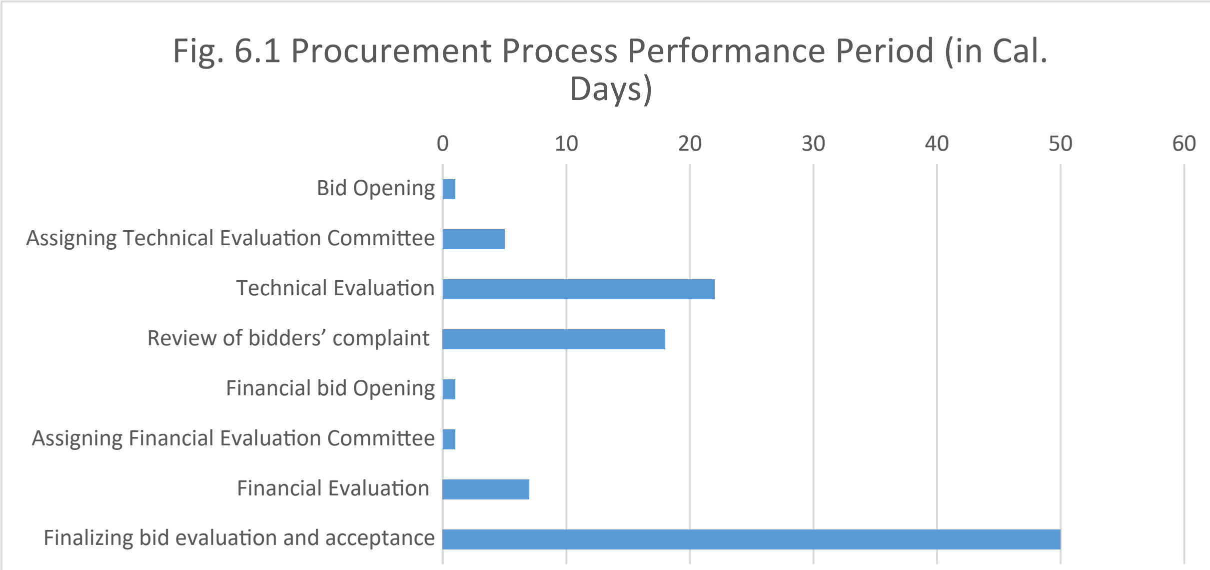
Bid Floating Period: The date of procurement notice of the bid was July 5/2014 and the deadline for bid submission was August 29/2014. This made the floating period of the Bid 54 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010) the minimum bid period shall be 30 days for National Competitive Bid. The Floating Period of the Bid, therefore, complies with the provisions of the Procurement Directive.

6.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS

The PE opened the bid on August 29/2014. After carrying out the necessary evaluations and approvals on submittals of technical and financial proposals, the PE finally forwarded letter of acceptance to the winner on 11-12-2014. From this, it is possible to see that the period to finalize the procurement process has taken about 105 calendar days. The durations utilized by the different stages of the procurement process are summarized in Table 6.5:

Table 6.5: Summary of Procurement Process and Period of Performance for Works Contract

It. no.	Description of Procurement Process	Start Date	Completion Date	Period (Cal. Days)
1	Opening date of the bid	August 29/2014	August 29/2014	1
2	Assigning Technical Evaluation Committee	24/12/2006 E.C	28/12/2006 E.C	5
3	Technical Evaluation	29/12/2006 E.C	15/01/2007 E.C	22
4	Review of Technical Evaluation results and bidders' complaint by Procurement Authorization Team-1	16/01/2007 E.C	03/02/2007 E.C	18
5	Opening date of the Financial bid	04/02/2007 E.C	04/02/2007 E.C	1
6	Assigning Financial Evaluation Committee	05/02/2007 E.C	05/02/2007 E.C	1
7	Financial Evaluation	06/02/2007 E.C	Oct. 23/2014	7
8	Finalizing bid evaluation and forwarding letter of acceptance	Oct. 24/2014	11-12-2014	50
			Total Period	105



The period to required conclude the bid evaluation and issue a letter of acceptance was very long (Fig. 6.1). Due to lack of information, it was not possible to look into the reasons of delay.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), it is stated that *'Public bodies have to complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders …'.* Due to lack of information of Bid Validity Period of the bid, however, it was not possible to justify whether the PE has carried out the procurement process efficiently or not.

6.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

Out of twenty-eight (28) bidders who bought the tender documents for works contract, fourteen (14) of have submitted their qualification applications and financial offers. 50% of the bidders have declined to submit their proposals.

6.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities:

- There was public opening of proposals in the presence of Bidders and/or their representatives.
- The PE has formally and timely notified the results of technical evaluation to the bidders and entertained their complaints.
- Records of complaints lodged by the bidders and responses from the PE are retained and made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening.

6.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of Bid Document it was not possible to analyzed the objectivity of tender evaluation and award criteria.

6.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Due to lack of Engineer's Estimate, it was not possible to analyze the competitiveness of the award price.

6.2 DISCLOSURE OF CONTRACT INFORMATION

6.2.1 OVERVIEW OF THE CONTRACT

Signing of the works contract was made on 12-12-2014. The original agreed Contract Amount was ETB 457,350,361.93 (USD 15,270,462.84) including 15% VAT plus 10% contingency and intended to complete the whole of the works within 670 calendar days. The Contract has started on 2nd January, 2015 and intended to complete 31st October, 2016. Due to the occurrence of changes to contracts, the Contract has been given 503 Calendar days extension of time and an amount of ETB 87,194,938.97 (USD 2,911,350.22) before VAT. Moreover, a supplementary contract was made for an amount of ETB 20,005,742.41 (USD 667,971.37) before VAT to construct side ditch and channelization of access road. The Contract for main and supplementary works were completed and provisionally accepted on January 05, 2018.

6.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information:

- Approved payment certificate – final;
- Approved extension of time (EOT) – for Variation order (VO) no.1 and VO no.2;
- Approved EOT – EOT no. 2 to EOT no.4;
- Approved EOT for supplementary contract;
- Advance Payment Guarantees; and
- Signed and sealed provisional acceptance document.

With the available information, it was possible to get eleven (11) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The following items of contract information couldn't be availed:

- Safety Measures (accident and death);
- Quality of work; and
- Disputed issues and award details.

Summary of the percentage of disclosure for design, supervision and works contracts is given in Fig. 6.2

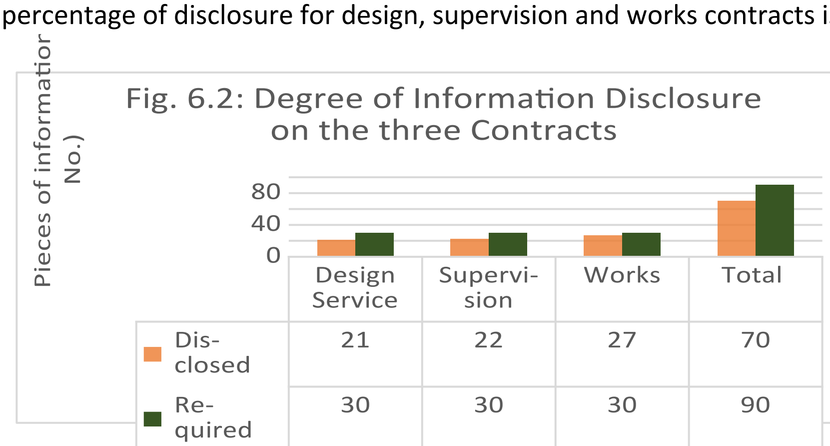


Fig. 6.2: Degree of Information Disclosure on the three Contracts

The numbers in Figure 6.2 give a disclosure rate of 77.8 percent. As the project is completed, Project Information at Completion is filled. As can be read from the Standard Disclosure Template under Chapter 8, the disclosure rate for the Preliminary Project information and Project Information at Completion are 72.2 percent and 87.5 percent. These figures aggregated with the figures under Figure 6.2 bring the total disclosure rate to 71.5 percent.

6.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Original sources of are used for data. So the contract information disclosed are accurate.

6.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1 ISSUES RELATED TO CONTRACT PRICE

The works contract was originally intended to be completed with an amount of ETB 361,355,503.79 ETB (USD 12,065,292.28) before 15% VAT. During the progress of construction, the Contract has entertained three additional new work orders with an amount of about 24.13% to the original contract price. On the other hand, supplementary agreement has been made for the construction of road side ditch and channelization of access road with an amount of about 5.54% to the original contract price. The overall changes to contract price is summarized in Table 6.6.

Table 6.6: Description of Changes to Contract Price

It. no.	Description		Amount (in ETB)	Amount (in USD)	Amount (in %)*
I	**Original Contract Price (without VAT)**	**A**	**361,355,503.79**	**12,065,292.28**	
II	**Variations**				
1	VO No.1: *Construction of 500m Runway extension.*		42,735,621.72	1,426,898.89	
2	VO No.2: *Construction of 4.7km Access Road to the Airport including 22m span Girder Bridge.*		36,347,383.08	1,213,602.11	
3	VO No.3: *Slope flattening including loam soil and grassing work.*		8,111,934.17	270,849.22	
	Total Variations (without VAT)	**B**	**87,194,938.97**	**2,911,350.22**	**24.13**
III	**Total Revised Contract Price**	**C=B+A**	**448,550,442.76**	**14,976,642.50**	**124.13**
IV	**Supplementary Agreement:** **(without VAT)** *Construction of Artificial Side Ditch and Channelization of Access Road.*	**D**	**20,005,742.41**	**667,971.37**	**5.54**
***This column compares the amount with the original contract price (in per cent)**					

The total payment certified for main contract and supplementary agreement was ETB 487,489,500.30 (USD 16,276,777.97) including VAT and ETB 20,064,746.62 (USD 669,941.46) including VAT respectively.

The contract has entertained significant changes to prices which amounts 29.67% of the original contract value. The basic reasons of changes to contract price were due to addition of major works beyond original contract scope.

On the other hand, a price adjustment has been made in the contract which resulted in a decrease of contract price by ETB 28,057,427.40 (USD 936,808.93). This amount has been decreased from final payment certificate which is appreciable.

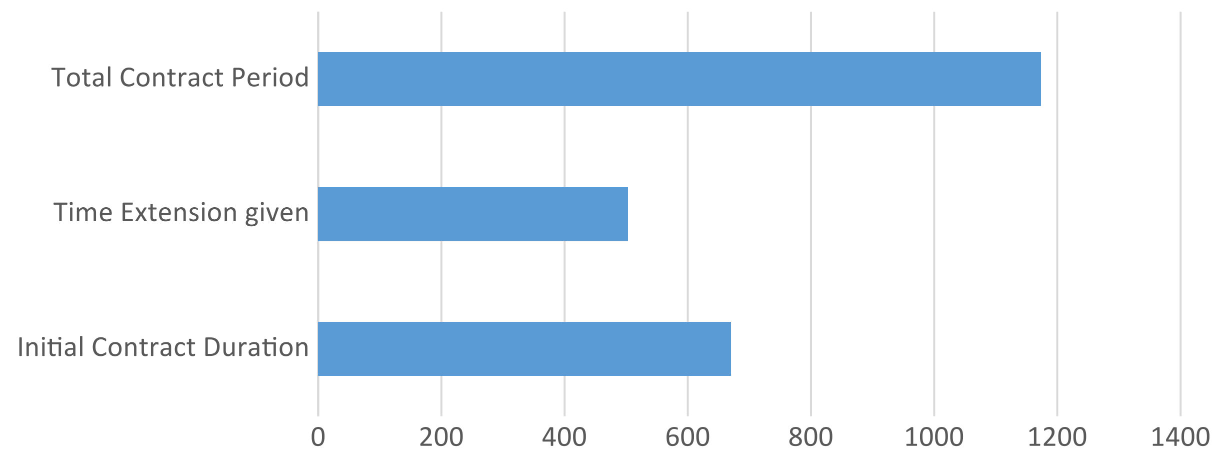
6.2.3.2 ISSUES RELATED TO CONTRACT DURATION

The works contract was originally intended to complete the whole of the works within 730 Calendar days. However it has been increased to 670 Calendar days as per the agreement of PE and the Contractor. The construction work for the contract was started on 2nd January, 2015 and intended to be completed on 31st October, 2016. Due to occurrence of several causes, a change has been made to contract duration at different times resulting in a total time extension of 503 Calendar days. The details of changes to contract duration are summarized in Table 6.7. It is graphically presented in Fig. 6.3.

<u>Table 6.7: Description of Changes to Contract Duration</u>

EOT No.	Approval Date of Time Extension	Extended Time (in Cal. days)	Reason for Time Extension	Revised Com. Date
1.	19 DEC, 2016	130	For VO no.1&2, - extension of 500m of the Runway and Construction of 4.7 Km Access Road to the Airport	10th March 2017
2.	15/05/2017 PE's approval	107	For delay due to bridge foundation design.	27th June 2017
3.	21/08/2017 PE's approval	28	For Access Road bridge construction delay.	25th July 2017
	Oct. 19, 2017	138	For Supplementary Agreement	25th Oct. 2017
4.	28 APR, 2018	100	For Elastomeric bearing redesign, Adverse weather condition and Additional tasks for airport operation.	2nd Feb. 2018
	Total EOT	503		

Fig. 6.3: Intended vs Actual Duration of the Contract (in Calendar days)



	Initial Contract Duration	Time Extension given	Total Contract Period
Series1	670	503	1173

The contract has entertained significant extension of time that amounts to 75% of the original contract duration. This has extended the original completion date to 2nd of Feb. 2018. The project, including supplementary works were, however, completed and provisionally accepted on January 05, 2018. The basic reasons of delay were changes in scope.

6.2.3.3 Causes of Concern

Originally the runway of the airfield was planned to be constructed with 2500m length. However as per the directive of the PE it was required to be extended to 3000m. This resulted in an increase of about 12% of original contract price and correspondingly extended the intended completion period substantially. This is an indication for a gap at the design stage.

The inclusion of construction of 4.7km access road to the airport including 22m span girder bridge has also constituted to a significant increase both in duration and price from the original contract amount. There is no clear information as to why the construction of the access road was not included at the initial design stage.

The addition of drainage facilities after the project was awarded also another cause of concern that shows the gap in preparation (design) phase.

In general, lack of proper preparation is observed and this affected the project by increasing its cost and time.

7. CONCLUSION AND RECOMMENDATION

7.1 CONCLUSION

The disclosure and assurance process of the project under review was carried out with the information collected from the project files of the PE as permitted us to access in their archive. The PE's cooperation in this respect is appreciated. However, due to absence of some documents in the PE's project files, it was not possible to collect all pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. With the available information, it was possible to review and analyze PE's performance on the procurement process after bid opening as well as contract implementations of all bids and hence appreciable findings and causes for concern were identified. Due to lack of information, however, it was not possible to include in this report complete review of the procurements process.

It is observed that the procurement process, starting from the date of bid opening, of the three contracts more or less followed the requirements of Federal Government Public Procurement Directive. Two separate teams, Procurement Authorization Team-1 and Technical/Financial Evaluation Committee, were organized by the PE to perform the evaluation and approval of procurements for bids. The openings of proposals were public and carried out in the presence of Bidders and/or their representatives. The PE has notified to the bidders the results of technical and financial evaluations. The evaluations of bidders' proposals were almost finalized within reasonable periods.

Moreover, the PE has almost shown good performances on implementing Contracts. The implementation of the two Service Contracts were carried out under the administration of the PE. Whereas a separate consultant has been assigned by PE to supervise and administer works contract. The design service was implemented in good condition and without incurring significant changes to contracts. On the other hand, the works contract has entertained significant changes in scope.

In the implementation process, some basic issues were observed on works contract with respect to significant changes to contract scope. The addition of the scope of works were not simple and resulted to have significant increase both in duration as well as price. Change on the original scope was one of the basic reason to the effect. The cost overrun is 29.67% of the original Contract value. 503 day time extension was 75% of the original Contract duration.

7.2 ISSUES RECOMMENDED FOR FURTHER REVIEW

It is clear that the degree of availability of project information matters on the quality of the assurance report. Even if the PE has been open to access all project files for the disclosure, some documents were missing from the available files. Due to this, it was not possible to collect all pieces of information in accordance with the Standard Disclosure Template of CoST – Ethiopia. Correspondingly, the assurance process was also ceased to go further with the review and analysis of PE's performance on the following issues.

- Objectivity of the tender evaluation and the award criteria of the three Contracts.
- Competitiveness of the award price of the three Contracts.
- Compliance of the procurement process with the requirements

One of the basic reasons of such information gap in project files was believed to be due to lack of proper management and maintenance of all project information (documents, records, etc.,) starting from project appraisal to date and made easy to access as required. Most of project information specially before design period, with respect to project approval date, planned/original duration and cost estimate for completing the whole project, etc., couldn't be properly maintained and accessed easily as required. The problem in acquiring complete information was observed on almost all PEs which requires concrete solution. Therefore, the MSG should draw its attention on building the capacity of the PEs on managing and maintaining all the required project documents in an appropriate way and in compliance with the requirements of Ethiopian Government Procurement and Property Administration Proclamation, FGPP Directive, Financial Administration Proclamation, etc.

Another key recommendation made to the PE is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation

8. PROJECT AND CONTRACT INFORMATION DISCLOSURE - CoST ETHIOPIA (STANDARD TEMPLATE)

<table>
<tr><th colspan="5">DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)</th></tr>
<tr><th>PHASE</th><th>ITEMS OF DISCLOSURE</th><th>CONSTRUCTION</th><th>DESIGN</th><th>SUPERVISION</th></tr>
<tr><td rowspan="8">PROCUREMENT INFORMATION (30 ITEMS)</td><td>Date of disclosure</td><td colspan="3"></td></tr>
<tr><td>Contract title</td><td>Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete) at Hawassa Town</td><td>Consultancy Services for Detailed Engineering Design of Runway, Taxiway, Apron & Access Road at Hawassa Town</td><td>Consultancy Services for the Construction Supervision & Contract Administration of Runway, Taxiway, Apron & Access Road project at Hawassa Town</td></tr>
<tr><td>Location</td><td colspan="3">Southern Nations, Nationalities and Peoples Regional State (SNNPRS), Sidama Zone, Hawassa Town</td></tr>
<tr><td>Procuring entity</td><td colspan="3">The Federal Democratic Republic of Ethiopia, Ethiopian Airports Enterprise</td></tr>
<tr><td>Source for further information</td><td colspan="3">Ethiopia Ethiopian Airports Enterprise;
Attention – Airports Infrastructure Directorate,
Floor/Room number – 6th floor,
Street Address – Africa Avenue,
P. O. Box – 90652,
Town/City – Addis Ababa, Ethiopia,
Telephone - +251-11-665 05 58/ +251-11-665 07 03.</td></tr>
<tr><td>Date of procurement notice</td><td>July 05/2014</td><td>DNA</td><td>DNA</td></tr>
<tr><td>Floating period of the procurement notice</td><td>54 Calendar days</td><td>DNA</td><td>DNA</td></tr>
<tr><td>Media used for procurement notice</td><td>DNA</td><td>DNA</td><td>DNA</td></tr>
</table>

	Method of procurement	Open bidding	Open bidding	Open bidding
	Type of Procurement	NCB	NCB	NCB
	Procurement procedure	Two stage bidding	Two stage bidding	Two stage bidding
	Evaluation criteria	LCBS	QCBS	QCBS
	Type of contract & project delivery method	Type of contract - Unit price Project delivery method - Design-Bid-Build	DNA	Lump Sum
	Type & Amount of bid security	Bank guarantee/CPO ETB 100,000	DNA	DNA
	Content of any complaint lodged	One bidder has lodged complaint on the technical evaluation result. The bidder's complaint was on the evaluation of bidder's machineries, Rock Crusher, Crusher, Asphalt Paver, and Batching Plant, which was given zero as per the Evaluation criteria. The TEC has given zero point due to absence of justification on the submitted documents of machineries verifying bidder's property.	Complaints have been lodged by two bidders on the evaluated result of bidders' experiences and personnel	Complaints have been lodged by one bidder on the evaluated result of bidder's Work plan and Methodology and personnel
	Engineer's estimate	DNA	DNA	DNA
	Date of bid opening	August 29, 2014	27/10/2005 E.C, 10:30 AM	09/07/2006 E.C, 2:30 PM
	Number of bidders: Participated, rejected and declined to submit	Participated - 14 Rejected - 1 Declined to submit - 14	Participated - 5 Rejected - 0 Declined to submit - DNA	Participated - 3 Rejected - 0 Declined to submit - DNA
	Awarded firm /contracting firm/	YOTEK Construction PLC	Transport Construction Design Share Company	Saba Engineering PLC

	Date of contract award	11-12-2014	26/08/2013	23/05/2014
	Award price/original contract price	ETB 457,350,361.93 (USD 15,270,462.84) including 15% VAT plus 10% contingency ETB 361,355,503.79 (USD 12,065,292.28) without VAT and 10% contingency	ETB 1,626,091.95 (USD 54,293.55) including 15% VAT	ETB 166,278.5 (USD 5,551.87) including 15% VAT for monthly Supervision and ETB 43,884 (USD 1,465.24) including 15% VAT for defect liability period
	Unit Contract price (price/km, price/sq. meter)	DNA	DNA	DNA
	Contract security type and amount	Performance Bond – Insurance – ETB 45,734,471.23 (USD 1,527,027.42)	Professional Indemnity – Insurance – ETB 1,621,091.95 (USD 54,126.61)	Professional Indemnity – Insurance – ETB 2,101,625 (USD 70,171.12)
	Date of contract signing	12-12-2014	23-09-2013	15-07-2014
	Description of contract & Contract components	The main works to be carried out under the contract consists the construction of: 1) 3000m x 45m (500m extension additional through variation) runway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 45m width stripping section with 150mm loam soil over 250mm sub base layer on both sides. 60m x 60m stop-way at both ends paved with 100mm asphalt concrete and 250m length x 150m width overrun section at both ends with 150mm Loam soil over 250mm sub base layer is also part of the runway. total graded section of the runway is 3.62 KM length by 150m width. 2) 294m length with variable width Taxiway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm	The Design Service includes the preparation of: Topographic Survey, Hydrology/Hydraulics and Structural, Geometric Design, Tender Document, Engineering Cost Estimate.	Construction Supervision & Contract Administration

		asphalt concrete and 3.5m wide stripping section on both sides. 3) 250m x 150m Apron paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on all sides. 4) 4.9km length with 6m width Access Road to the Airport including 22m span Girder Bridge additional work.		
	Contract administration entity	Saba Engineering PLC	Ethiopian Airports Enterprise	Ethiopian Airports Enterprise
	Contract duration	730 days (670 Cal. days after amendment)	DNA	730 days + defect liability period
	Contract start date	2nd January, 2015	October 19, 2013	DNA
	Intended completion date	31st October, 2016	DNA	DNA
CONTRACT IMPLEMENTATION & COMPLETION (14 ITEMS)	Contract status (ongoing (% progress), terminated, completed)	Completed	Completed	Completed
	Completion date (Revised, projected, Actual)	Revised Completion Date = 2nd February, 2018 Actual Completion Date = January 05, 2018 including Supplementary works	Actual (submission of Final Reports) = 03 July, 2014	Actual completion date – January 05, 2019
	Changes to contract duration with Reason	Approved EOT = 503 days; EOT for VO no.1&2 - 130 Calendar days: - For the extension of 500m of the Runway and Construction of 4.7 Km Access Road to the Airport. EOT no.2 - 107 Calendar days: - For delay due to bridge foundation design;	DNA	DNA

		EOT no.3 - 28 Calendar days: - For Access Road bridge construction delay; EOT no.4 - 100 Calendar days: - For Elastomeric bearing redesign, Adverse weather condition and Additional tasks for airport operation. 138 Calendar days: - For Supplementary Agreement		
	Amount of Liquidated Damage if applied (Penalty for delay)	Not applied as Contract completed within revised completion date.	DNA	DNA
	Contract price (Revised, projected, Actual)	Revised Contract price (OC + VO) = ETB 448,550,442.76 (USD 14,976,642.50) excluding 15% VAT; Supplementary Agreement – ETB 25,307,264.14 (USD 844,983.78) including 15% VAT and 10% contingency.	DNA	DNA
	Changes to contract price with reason	Total (VO 1-3) = ETB 87,194,938.97 (USD 2,911,350.22) excluding 15% VAT; VO no. 1 – ETB 42,735,621.72 ETB (USD 1,426,898.89) excluding 15% VAT for the construction of 500m Runway extension); VO no. 2 – ETB 36,347,383.08 (USD 1,213,602.11) excluding 15% VAT for the construction of 4.7km Access Road to the Airport including 22m span Girder Bridge; VO no. 3 – ETB 8,111,934.17 (USD 270,849.22) excluding 15% VAT for slope flattening including loam soil and grassing work. Supplementary Agreement – ETB 25,307,264.14 (USD 844,983.78) including 15% VAT and 10% contingency.	DNA	ETB 213,839.09 (USD 7,139.87) - Design of 4.9km Access Road (Supplementary Agreement)
	Scope at completion	Original Scope plus additions stated hereunder.	DNA	Original scope plus Design service

	Changes to contract scope with reason	Construction of Artificial Side Ditch and Channelization of Access Road; Construction of 500m Runway extension; Construction of 4.7km Access Road to the Airport including 22m span Girder Bridge	DNA	Design service
	Total payment effected	ETB 487,489,500.30 (USD 16,276,777.97) including VAT - For Main Contract Works ETB 20,064,746.62 (USD 669,941.46) including VAT for Supplementary Agreement	ETB 1,281,091.95 (USD 42,774.36) including 15% VAT	ETB 4,643,162.78 (USD 155,030.48) including VAT (no.37) for Supervision ETB 213,839.09 (USD 7,139.87) – for Design of 4.9km Access Road
	warranty type and description	Advance Payment Bank Guarantee – ETB 83,157,765.87 (USD 2,776,553.12)	none	DNA
	Details of Termination if applied	Termination not applied	Termination not applied	Termination not applied
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

<table>
<tr><td colspan="3"></td></tr>
<tr><td colspan="3">DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td rowspan="9">PRELIMINARY PROJECT INFORMATION (18 ITEMS)</td><td>Date of disclosure</td><td></td></tr>
<tr><td>Project owner</td><td>The Federal Democratic Republic of Ethiopia, Ethiopian Airports Enterprise</td></tr>
<tr><td>Project name</td><td>Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete) at Hawassa City</td></tr>
<tr><td>Sector, subsector</td><td>Transport /Road/ sector</td></tr>
<tr><td>Source for further information</td><td>Ethiopia Ethiopian Airports Enterprise;
Attention – Airports Infrastructure Directorate,
Floor/Room number – 6th floor,
Street Address – Africa Avenue,
P. O. Box – 90652,
Town/City – Addis Ababa, Ethiopia,
Telephone - +251-11-665 05 58/ +251-11-665 07 03,</td></tr>
<tr><td>Project Location</td><td>Southern Nations, Nationalities and Peoples Regional State (SNNPRS), Sidama Zone, Hawassa Town</td></tr>
<tr><td>Purpose</td><td>It is found to be a paramount importance to provide better transport services through air transport infrastructure to Hawassa city since the city is becoming one of the major industrial centers for highly strategic developmental investments. The city also a strong tourist destination, both for local and foreign, for its colorful attractions and diverse cultures of nations and nationalities of the region. furthermore, the modern hotel and resort facilities in the city along with the beautiful Lake of Hawassa have made the city one of the finest options to spend holidays and vacations for people from all corners of the country.</td></tr>
<tr><td>Project description</td><td>Hawassa is a city in Ethiopia, on the shores of lake Hawassa in the great rift valley. Located 270 km south of Addis Ababa via Debre Zeit, 130km east of Sodo, 75km north of Dilla and 1125km north of Nairobi. Hawassa is the capital of the Southern Nations, Nationalities and Peoples Region. The city lies on the trans African highway 4 Cairo-Cape Town, with a latitude and longitude of 7°3’N 38°28’E and an elevation of 1708 meters.</td></tr>
<tr><td>Original Project Scope</td><td>The original scope of the project includes the following major works:
1) 2500m x 45m runway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 45m width stripping section with 150mm loam soil over 250mm sub base layer on both sides. 60m x 60m stop-way at both ends paved with 100mm asphalt concrete and 250m length x 150m width overrun section at both ends with 150mm Loam soil over 250mm sub base layer is also part of the runway. total graded section of the runway is 3.62 KM length by 150m width.
2) 294m length with variable width Taxiway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on both sides.</td></tr>
</table>

		3) 250m x 150m Apron paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on all sides.
	Project Components	1. Consultancy Services for Detailed Engineering Design - includes Cary out an assessment of the suitability of the area selected for the runway considering all ICAO/FAA requirements, Assessment and evaluation of the impact of natural features such as rivers, stream etc. on the proposed runway, Assessment of the altitude of the selected site for determination of design parameters, Assessment of the adequacy of the site for the proposed runway/aircraft type and possibility and potential for future expansion and accommodation of large aircraft and other airport facilities, Assessment and identification of any relocation work to be carried out around the proposed site, Detailed engineering design of runway, taxiway, apron, drainage system and access road, Assessment of a general environmental impact on the surrounding areas, Carrying out geotechnical investigation services. 2. Consultancy Service for the construction supervision & Contract Administration; 3. Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete).
	Environmental impact	Environmental Protection and Mitigation Measures: Fulfill any Regional and National statutory requirements and liaison with Local, Regional and National Authorities with respect to environmental issues. Environmental aspects of the works include all camp sites, quarries, borrow pits, water sources, temporary diversions, existing roads used as diversions and storage sites etc.in addition to the main project work site. Comply with Mitigation measures stated in the Contract Document with respect, but not limited, to the following areas of environment issues: Landscape and Preservation, Soil Erosion Control, Prevention of Tree and Shrubbery, Prevention of Water Pollution, Abatement of Air, Dust, Noise and Light Pollution, Prevention of Historical, Archeological and Cultural Remains, Clean-up and Disposal of Waste Materials, Health, Safety and Accidents.
	land & settlement impact	DNA
	Estimated budget of the project with breakdown of components	DNA

	Funding sources	The Government of Federal Democratic Republic of Ethiopia
	Project budget approval date	DNA
	Project start date (planned, actual)	DNA
	Planned/ Original duration for completing the whole project	DNA
	Planned/Original cost of the project	• ETB 1,626,091.95 (USD 54,293.55) including 15% VAT for Design Service Contract, • ETB 166,278.50 (USD 5,551.87) including 15% VAT for monthly Supervision and ETB 43,884.00 (USD 1,465.24) including 15% VAT for defect liability period for Construction Supervision and Contract Administration Service Contract, • ETB 457,344,712.29 (USD 15,270,274.20) including 15% VAT for Works Contract, • Other costs – DNA.
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	**Works Contract:** ETB 487,489,500.30 (USD 16,276,777.97) including VAT - For Main Contract Works ETB 20,064,746.62 (USD 669,941.46) including VAT for Supplementary Agreement. **Design Contract:** ETB 1,281,091.95 (USD 42,774.36) including VAT. **Construction Supervision & Contract Administration Contract:** ETB 4,643,162.78 (USD 155,030.48) including VAT (no.37) for Supervision ETB 213,839.09 (USD 7,139.87) – for Design of 4.9km Access Road
	changes of project cost with reason	Works Contract: Total (VO 1-3) = ETB 87,194,938.97 (USD 2,911,350.22) excluding 15% VAT; VO no. 1 – ETB 42,735,621.72 ETB (USD 1,426,898.89) excluding 15% VAT for the construction of 500m Runway extension); VO no. 2 – ETB 36,347,383.08 (USD 1,213,602.11) excluding 15% VAT for the construction of 4.7km Access Road to the Airport including 22m span Girder Bridge; VO no. 3 – ETB 8,111,934.17 (USD 270,849.22) excluding 15% VAT for slope flattening including loam soil and grassing work. Supplementary Agreement – ETB 25,307,264.14 (USD 844,983.78) including 15% VAT and 10%

		contingency. Supervision: ETB 213,839.09 (USD 7,139.87) - Design of 4.9km Access Road (Supplementary Agreement)
	Project completion date (Revised, projected, actual)	Revised Completion Date = 2nd February, 2018 Actual Completion Date = January 05, 2018 (Provisional Acceptance date of Works Contract)
	Actual duration for completing the whole project	DNA
	Changes of project duration with reason	Works Contract: Total Approved EOT = 503 days; EOT for VO no.1&2 - 130 Calendar days: - For the extension of 500m of the Runway and Construction of 4.7 Km Access Road to the Airport. EOT no.2 - 107 Calendar days: - For delay due to bridge foundation design; EOT no.3 - 28 Calendar days: - For Access Road bridge construction delay; EOT no.4 - 100 Calendar days: - For Elastomeric bearing redesign, Adverse weather condition and Additional tasks for airport operation. 138 Calendar days: - For Supplementary Agreement.
	Project Scope at completion	Project scope at completion: 1) 3000m x 45m runway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 45m width stripping section with 150mm loam soil over 250mm sub base layer on both sides. 60m x 60m stop-way at both ends paved with 100mm asphalt concrete and 250m length x 150m width overrun section at both ends with 150mm Loam soil over 250mm sub base layer is also part of the runway. total graded section of the runway is 3.62 KM length by 150m width. 2) 294m length with variable width Taxiway paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on both sides. 3) 250m x 150m Apron paved with 100mm thick asphalt concrete including 7.5m wide shoulder paved with 50mm asphalt concrete and 3.5m wide stripping section on all sides. 4) 4.9km length with 6m width Access Road to the Airport including 22m span Girder Bridge additional work.
	Changes of project scope with reason	Construction of Artificial Side Ditch and Channelization of Access Road; Construction of 500m Runway extension; Construction of 4.7km Access Road to the Airport including 22m span Girder Bridge

	Reference to documents for disclosure upon request (reactive disclosure)	Design Service: • Tender Evaluation Report, • Letter of Acceptance, • Professional Indemnity, • Handing over the Construction site document, • Consultant letter for submission of Final Design report, • Approved Payment Certificates – Final, • Consultant request of Payment Certificates – Final. Construction Supervision & Contract Administration Service: • Tender Evaluation Report, • Professional Indemnity, • Letter of Acceptance. • Approved Payment Certificates – final (IPC 37), • Contract Agreement. • Supplementary Agreement. Works Contract: • Tender Evaluation Report, • Performance Bond, • Advance Payment Guarantees, • Approved Payment Certificate –final, • Approved EOT – for VO no.1 and VO no.2, • Approved EOT – EOT no. 2 to EOT no.4, • Approved EOT for Supplementary Contract, • Signed and sealed Provisional Acceptance Document.
TOTAL NUMBER OF DISCLOSURE ITEMS = 70		

Note:

Currency Exchange Rate:

******1 United States Dollar equals 29.95 Ethiopian Birr (National Bank of Ethiopia - October 17, 2019)*.

Construction of Airfield in Jinka Town

OCTOBER 18, 2019

ASSURANCE PROFESSIONAL: YAREGAL ALI
Addis Ababa, Ethiopia

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LIST OF TABLES

LIST OF ACRONYMS

AP	Assurance Professional
BOQ	Bill of Quantity
CoST	Infrastructure Transparency Initiative
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
FEC	Financial Evaluation Committee
FGPPD	Federal Government Public Procurement Directive
FPPPAA	Federal Public Procurement and Property Administration Agency
ICB	International Competitive Bidding
IDS	Infrastructure Data Standard
IPC	Interim Payment Certificate
LCBS	Least Cost Based Selection
NA	Not Applicable
NCB	National Competitive Bidding
NMSG	National Multi Stakeholder Group
No	Number
PE	Procuring Entity (Employer)
PLC	Private Limited Company
QCBS	Quality and Cost Based Selection
TEC	Technical Evaluation Committee
USD	United States Dollar
VAT	Value Added Tax
VO	Variation Order

1. EXECUTIVE SUMMARY

The construction sector plays a vital role in supporting social and economic development, yet it is one of the most susceptible sectors for mismanagement and corruption. Corruption on public sector projects has been known to increase contract prices and result in unnecessary, unsuitable, defective or dangerous projects, often subject to severe delays. The complexity of the causes and types of corruption are such that they cannot be addressed by scattered efforts of institutions.

1.1 CoST - ETHIOPIA

The establishment of Infrastructure Transparency Initiative (CoST) is mainly based on the reduction of corruption and mismanagement and is designed to make construction projects more transparent. It is an international multi-stakeholder program designed to increase transparency and accountability in the construction sector. Greater transparency in the delivery of construction projects is believed to increase accountability and improve project outcomes. CoST seeks to enhance the transparency and accountability of public funded infrastructure projects . It will do this by disclosing to the public 'Infrastructure Data Standard' (IDS) at all stages of the construction project cycle, from the initial identification of the project to the final completion.

CoST – Ethiopia is directed by a National Multi - stakeholder Group Executive Committee (NMSG-EC) that represents the interests of government, the private sector, and civil society.

This assurance report focuses on the reactive disclosure of project information for the construction of Airfield at Jinka Town.

To ensure that the information released is both accurate and available and is presented in a form that can easily be understood by stakeholders, an independent Assurance Professional (AP) is appointed by the National Multi Stakeholder Group Executive Committee (NMSG - EC) of CoST – Ethiopia who will be responsible for assessing the adequacy and reliability of the disclosed project information.

1.2 OBJECTIVES OF THE PROJECT LEVEL ASSURANCE

The main objective of the assurance process is to help the introduction of sustainable proactive disclosure of project information in PEs and demonstrate the importance of transparency in publicly funded projects.

1.3 CORE ACTIVITIES OF THE ASSURANCE PROCESS

- Disclosure of project information (by PE) possible by communicating with officials of the responsible parties and cooperating with National Secretariat of the Initiative.
- Verification of the accuracy and completeness of project information disclosed by PE and produce reports as per the Disclosure Standards of CoST – Ethiopia.
- Making site visit to have visual impression of the project and acquiring additional verification as required.
- Presenting the information in understandable format in order to enable the public make informed judgments,
- Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analyzed information reveals.

- Making presentations to NMSG-EC, multi-stakeholder forums, getting feedbacks and refining the report accordingly.

1.4 BRIEF DESCRIPTION OF THE PROJECT AND CONTRACTS INCLUDED IN THE REPORT

Date of Disclosure and Assurance	
Name of the AP	Yaregal Ali
Name of the Project	Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete)
Project Location	Southern Nations, Nationalities and Peoples Regional State (SNNPRS), South Omo Zone, Jinka Town.
List of Contracts	1. Consultancy Services for Detailed Engineering Design and Tender Document Preparation; 2. Consultancy Service for the Construction Supervision and Contract Administration; 3. Construction Works of the Airfield.
Name of Employer (PE)	The Federal Democratic Republic of Ethiopia, Ethiopian Airports Enterprise
Name of Contractor	AFRO-TSION Construction PLC
Name of Consultants	Transport Construction Design Share Company - for the Consultancy Service of Construction Supervision and Contract Administration; BEZA Consulting Engineers PLC - for the Consultancy Service of Detailed Engineering Design and Tender Document Preparation.

1.5 SUMMARY OF FINDINGS AND CAUSES OF CONCERN

The project has entertained three Contracts for the procurements of Design Service, Construction Supervision and Contract Administration Service and Works. With the available information it was possible to review and analyze PE's performance on the procurement process after bid opening and Contract implementations of all bids. Due to lack of information, however, it was not possible to include in this report, except some, the review and analysis of procurement process performed before bid opening and also, to some extent, after bid opening and contract implementation.

It is observed that the procurement process, starting from the date of bid opening, of the three Contracts almost followed the requirements of Federal Government Public Procurement Directive. Moreover, the PE has almost shown good performances on implementing the Contracts except with some basic issues observed on Works Contract with respect to default on applying contract provisions and significant changes to contracts. In general, the assurance process has identified the following causes of concern to the attention of PE for reaction and future improvement.

1.5.1 CONSIDERATION OF FURTHER EVALUATION ON AWARD PRICE

The evaluation of bidders' financial offer was carried out based on the criteria of the bid. However, it was not possible to see fairness of winner price, particularly for the construction contract, as Engineer's estimate was not availed.

In order to avoid such cases, it is advisable to have early determination of cost estimate or knowledge of current market price for the bid which shall be considered further in the evaluation process so that reasonable judgment can be reached on award price.

1.5.2 SIGNIFICANT CHANGES TO CONTRACT PRICE - WORKS CONTRACT

The occurrence of changes in the quantity of original bill of quantity (BOQ) and the need of material type adjustment from the original study results significant change on the original contract price which require further analysis to justify the root causes of the problem.

In reference to Consultant's cost breakdown submitted to the PE with letter ref. no. TDSWS/MG. A4/3406, dated 24 May 2017, significant cost variation from the original estimation have been encountered on the work items of drainage (-42.52%), and ancillary works (+29.55%). The basic reasons to these cost variations were overestimation of volume of masonry work and incorrect quantification of landscaping work. One of the potential source of the problem could be the quality design and tender document preparation.

1.5.3 DELAY IN IMPLEMENTATION OF TASKS - WORKS CONTRACT

The contract has entertained significant amount of time extensions (37% of the original contract period). The Works Contract was also provisionally accepted on April 21, 2017 resulting a delay of 13 calendar days beyond the revised completion date of 8^{th} April, 2017. It implies that the Contractor has shown a default on the contract and shall be subjected to a penalty (liquidated damage) as per Clause 27 and Clause 78 of GCC. Due to lack of information it was not possible to justify whether the PE has taken the necessary action over the Contract delay as per the Contract provision of GCC Clause 27.

1.5.4 PRICE ADJUSTMENT

Price adjustment has been made over the contract with a total amount of ETB -34,771,625.07 (USD 1,160,989.15) before VAT and this amount has been decreased from final payment certificate which is appreciated In aggregate, the contract has been completed with a decrease of about 8% from the original contract price. It is highly recommended to implement this experience in similar projects.

RECOMMENDATIONS

The problem of acquiring complete information was observed in almost all PEs which requires building the capacity of the PEs on managing project information. Another key recommendation made to the PE is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation.

Note: An exchange rate of USD to Birr (1 USD = 29.95 Birr) is made using the rate (selling) at the time of the report writing October 17, 2019)

2. INTRODUCTION

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

This report includes the disclosure of IDS of Jinka Town Airfield project and describes the findings of the assurance process that has been undertaken on the disclosed information. The report thus:

- discloses IDS of Jinka Town Airfield project as per Standard Disclosure Template of CoST – Ethiopia annexed at the end of the report;
- verifies the accuracy and completeness of disclosed information;
- analyses the information obtained in order to enable the public make informed judgments about the cost, time of delivery and quality of the built infrastructure,
- highlights the main findings and cause for concern.

2.1 CHALLENGES OF THE ASSURANCE PROCESS

The assurance process was carried out in smooth way except minor challenges of the PE on providing project information timely. The problem was, however, solved upon PE's receipt of clarification letter from CoST – Ethiopia. The PE then became cooperative and availed the required information. The PE has made full access to almost all project files and major part of information was possible to disclose in this report. Nevertheless, some documents couldn't be traced easily on project files. Due to this, it was not possible to disclose full project information as per the requirement of Standard Disclosure Template of CoST – Ethiopia.

2.1.1 LISTS OF UNAVAILABLE DOCUMENTS

- Project Appraisal
  - Feasibility study,
  - Project budget approval date,
  - Estimated budget of the project,
  - Planned/ Original duration for completing the whole project.

- Design Service
  - Bid invitation,
  - Bid Document,
  - Contract Agreement document,
  - Engineer's Estimate,
  - Safety Measures (accident & death),
  - Quality of work, and
  - Disputed issues & Award details.

- Supervision Service
  - Bid invitation,

- Bid Document,
- Contract Agreement document,
- Letter of Commencement of the Service,
- Engineer's Estimate,
- Safety Measures (accident and death),
- Quality of work, and
- Disputed issues and Award details.

- Works
  - Bid invitation,
  - Engineer's Estimate,
  - Bid Document,
  - Approved Variation Orders VO1, VO2, etc.,
  - Approved EOT 1 and details of EOT 5,
  - Safety Measures (accident & death),
  - Quality of work, and
  - Disputed issues and Award details.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 PROJECT OVERVIEW

The air transport service for Jinka town had been rendered with DHC-6 aircraft on a gravel surfaced strip located in the middle of the town. It has been decided to terminate the flight service due to phasing out of the DHC-6 aircraft from domestic operations. Ethiopian Government has given due emphasis to improve the extent and development of infrastructure nationwide. South Omo Zone has long been a famous tourist destination for its colorful and diverse cultures of multi-nationalities. The geographical location, natural resources, and proximity to the Mago National Park are the other factors for the preference of the area. Jinka Town is an appropriate center for air transport. In view of the increasing number of tourists, it has been found necessary to boost air services through the development of improved air transport infrastructure.

The old strip used to accommodate F50 Fokker aircraft is proved insufficient to handle high performance aircrafts due to short runway length. Construction of a new airport facility to accommodate bigger aircrafts has become essential to meet the targeted services. Hence, the PE has intended to construct Airfield (Runway, Taxiway and Apron with Asphalt Concrete) at Jinka Town. The airfield project was intended to access Jinka Town to the rest of country by air transport and boost tourist and investment flow. Additionally, the project aims to increase Ethiopia's earnings in foreign currency by attracting additional general aviation carrier's traffic through improved facilities and services at the town.

The project was planned to be implemented using Design-Bid-Build project delivery method. As a result, the PE has carried out the procurement of design service, contract administration and construction supervision services and works in subsequent phases separately. Due to lack of information, it was not possible to disclose the official start date of the project. However, notice of bid invitation was initially published on Ethiopian Herald Newspaper on November 30, 2012 to procure the first phase of design service. On 28-03-2013, the PE has interred into contracts with BEZA Consulting Engineers PLC, with an amount of ETB 3,971,525.00 (*USD 132,605.18) including 15% VAT for the provision of detailed engineering design and tender document preparation.

Following the completion of design and tender document preparations, the PE floated open bid for construction works and supervision services. After performing the necessary procurement processes and finalizing evaluations of bidder's proposals, the PE has interred into contracts:

- with Transport Construction Design SC, on 19-03-2014 for an amount of ETB 206,544.31 (*USD 6,896.30) including 15% VAT for monthly Supervision and ETB 41,382.39 (*USD 1,381.72) including 15% VAT for defect liability period to carry out consultancy service of construction supervision and contract administration;
- with AFRO-TSION Construction PLC on 27-05-2014 for an amount of ETB 571,711,451.25 (*USD 19,088,863.15) including 15% VAT to construct the airfield project within 760 calendar days.

The construction of the project was completed and provisionally accepted on April 21, 2017.

3.2 SCOPE OF THE PROJECT

The scope of the project includes the following two major works:

Lot 1 - Construction of airfield (runway, taxiway and apron) with asphalt concrete;

- Runway: 2620m + 150m long and 45m + 7.5m wide;
- Taxiway: 23m wide with 7.5m shoulder each side;
- Apron: 200m by 120m and 7.5m shoulder.

Lot 2: Construction of Roads:

- Main access road (asphalt, 2.6km): from town to airport
- Diversion road (gravel surfaced, 4.2km): to Baytsemal kebele, shifting of existing road that crosses the runway.
- Drainage facilities (like box culverts both at runway and access road, pipe culverts at access road and diversion road, lined paved water way for airfield and access road and masonry gutter at access road and apron)
- Other ancillary works.

3.3 SOCIO ECONOMIC BENEFITS (PURPOSE) OF THE PROJECT

The project site (Jinka town) geographical location, natural resources of the surrounding area, proximity to the Mago National Park and the areas of multi nationality has been the main attractions for tourists and investment opportunities. This makes Jinka town a node for local air transport. In view of the increasing number of tourists, it has been found necessary to upgrade airline services. The service aims at enabling Jinka Town to have access by air transport to the rest of the nodes and boost tourist and investment flow. Additionally, the project aims to increase Ethiopia's earnings in foreign currency by attracting additional general aviation carrier's traffic through improved facilities and services at the town.

3.4 UNDESIRED IMPACTS OF THE PROJECT

In the contract document it is stated that the project could have negative impacts on the physical environment and communities. To reduce the undesired impact, the necessary mitigation measures were defined with respect, but not limited, to the following areas of environment issues:

- Quarries and borrow areas,
- Slope stability,
- Natural forests,
- Archaeological artifacts,
- Storage,
- Access roads,
- Cuts and Fills.

3.5 SOURCE OF FUNDING AND PROJECT COST

The source of funding for the project was the Federal Democratic Republic of Ethiopia. Due to lack of information, it was not possible to disclose the total project cost. However, the PE has entered into three Contracts with the costs described below:

- Design service contract of amount ETB 3,971,525.00 (USD 132,605.18) including 15% VAT;
- Construction supervision and contract administration service contract of amounts ETB 206,544.31 (USD 6,896.30) including 15% VAT for monthly supervision and ETB 41,382.39 (USD 1,381.72) including 15% VAT for defect liability period;
- Works contract of amount ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT.

3.6 PROJECT DURATION

Due to lack of information, it was not possible to disclose the official start date of the project. However, notice of bid invitation was initially published on Ethiopian Herald Newspaper on November 30, 2012 to procure the first phase, design service, and the project was completed on April 21, 2017.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN SERVICES

4.1 DISCLOSURE OF PROCUREMENT INFORMATION

4.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

The procurement notice of invitation for detailed engineering design and tender document preparation was published on Ethiopian Herald Newspaper on November 30, 2012 (HIDAR 21/2005 E.C).

Pursuant to the notice of invitation, ten (10) applicants have collected the tender documents before the deadline for submission of applications (Table 4.1)

Table 4.1: Lists of applicants who have collected the tender documents

Item No.	Applicants	Country of Registration
1	BEZA Consulting Engineers PLC	Ethiopia
2	SG Consulting Engineers PLC	Ethiopia
3	Metaferia Consulting Engineers PLC	Ethiopia
4	National Engineers PLC	Ethiopia
5	Zyas Design International PLC	
6	Nomi Engineering PLC	
7	Acute Engineering PLC	Ethiopia
8	Yohannes Abay Consulting Architects and Engineers	Ethiopia
9	Habtamu International Consulting Architects and Engineers PLC	Ethiopia
10	Bereket Tesfaye Architectural Engineering Consultant	Ethiopia

The closing date of the bid announced in the newspaper mentioned above was 1st of January, 2013 at 10:00AM. However, by request of bidders it was extended to 8th of January, 2013 at 10AM. The extension of bid closing date was notified to all the above 10 bidders through letters to their respective addresses.

Among ten (10) applicants who have bought the tender documents from PE, only four (4) of them, listed in Table 4.2, have submitted their qualification applications and financial offers in separate sealed envelopes before/on Tahsas 30, 2005 E.C, 10:00 AM.

Table 4.2: Lists of Applicants who have submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	BEZA Consulting Engineers PLC	Ethiopia
2	Yohannes Abay Consulting Architects and Engineers	Ethiopia
3	Acute Engineering PLC	Ethiopia
4	National Engineers PLC	Ethiopia

The evaluation of the bid was carried out in two stage procedures, namely, post qualification and financial bid evaluation. The selection criteria of the bid was quality cost based selection (QCBS) in the proportion of 80% for technical and 20% for financial.

The bid was opened on 8th of January, 2013 at 10::30AM in presence of bidders' representatives. At the time of bid opening, the Procurement Authorization Team-1, representing the PE, has opened the envelope of technical proposals while the financial proposal submittals remain sealed.

On 01/05/2005 E.C, the Procurement Authorization Team-1 of the PE has forwarded a letter along with the necessary documents to Airport Infrastructure Directorate to form a Technical Evaluation Committee to proceed with the evaluation of bidders' technical proposals and submit the results until

Tir 11/2005 E.C. On 06/05/2005 E.C, the Airport Infrastructure Directorate has assigned four members of Technical Evaluation Committee.

On 21/01/2013, the Technical Evaluation Committee has finalized the bidders' technical proposals. Out of four (4), who submitted their applications, three bidders found to be technically responsive scoring above the minimum evaluation point. Before finalizing the evaluation, the bidders have been notified with the technical evaluation results on 23/05/2005 E.C through letters to their respective offices.

Following the notification, one (1) bidder has lodged its complaint on the evaluation result on February 05, 2013 (Table 4.3).

Table 4.3: List of Bidder and complaints lodged on the Technical Evaluation Results

Item No.	Bidder's Name	Complaints lodged
1	Acute Engineering PLC	Complaints on evaluated results in relation to points given on bidder's experiences and personnel

The Technical Evaluation Committee has upheld the result and notified this to the on 12/02/2013 stating the reasons with respect to evaluation criteria. Those who qualified for the financial evaluation is depicted in Table 4.4.

Table 4.4: Lists of technically responsive bidders and their results

Item No.	Applicants	Technical Evaluation Results
1	BEZA Consulting Engineers PLC	97.8%
2	Acute Engineering PLC	74%
3	National Engineers PLC	77.7%

On Yekatit 15/2005 E.C, at 10:30 AM, the financial offers of the technically responsive bidders were opened in the presence of their representatives. The financial offers are shown in Table 4.5.

Table 4.5: Lists of technically responsive bidders and their financial offer

Item No.	Applicants	Bidders' Financial Offer with VAT
1	BEZA Consulting Engineers PLC	ETB 3,971,525.00 (USD 132,605.18)
2	Acute Engineering PLC	ETB 1,446,125.00 (USD 48,284.64)
3	National Engineers PLC	ETB 2,558,976.10 (USD 85,441.6)1

As per the notice of the Procurement Authorization Team-1, the Airport Infrastructure Directorate has assigned members of Financial Evaluation Committee to proceed with the evaluation of bidders' financial proposals. The Financial Evaluation Committee has evaluated bidders' financial offer with respect to the evaluation criteria and finally concluded the results as indicated in Table 4.6.

Table 4.6: Lists of technically responsive bidders and their bid evaluation results

Item No.	Applicants	Technical Evaluation (80%)	Financial Evaluation (20%)	Aggregate (100%)
1	BEZA Consulting Engineers PLC	78.24	7.28	85.52
2	Acute Engineering PLC	59.2	20	79.20
3	National Engineers PLC	62.16	11.30	73.46

According to the result of bid evaluation, BEZA Consulting Engineers PLC has scored the highest aggregate result and become the winner of the bid with an amount of ETB 3,971,525.00 (USD 132,605.18) including 15% VAT.

On 04/07/2005 E.C, the Procurement Authorization Team-1 has forwarded a letter, along with the necessary documents, the final evaluation results of the bid to Airport Infrastructure Directorate for final decision.

On 19-03-2013, the PE has forwarded letter of acceptance to BEZA Consulting Engineers PLC and accordingly entered into Contract Agreement on 28-03-2013 for the provision of detailed engineering design and tender document preparation of Jinka town airfield project.

4.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.2.1 COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

The disclosure of procurement information of design services was mainly referred from the available documents of tender evaluation report. With the available information from PE, it was possible to get twenty-three (23) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. Absence of contract agreement and copy of bid invitation document were the reasons for the gap. Missed item and the respective documents are listed in Table 4.7.

Table 4.7: Lists of missed Item of disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document	Remark
1	Type of contract	Design Contract Agreement	
2	Type and Amount of bid security	Bid Invitation Document	
3	Engineer's estimate	Design cost estimate Document (allocated budget)	Usually not practiced for design services
4	Unit contract price (price/km)		It is usually difficult to determine the exact figure
5	Contract duration	Design contract agreement	
6	Contract start date	Design contract agreement	
7	intended completion date	Design contract agreement	

4.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The document used for verification was tender evaluation report and major part of the disclosed items are primary information and accurate. However, the information with respect to the date of procurement notice, media used for procurement notice, floating period, bid opening date, type and method of procurement are disclosed in the absence of original source and can be taken as secondary information.

4.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

4.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Media used for Bid Advertisement: The Bid was openly advertised on the Ethiopian Herald which has wide coverage in Ethiopia. It is ,therefore, in compliance with Article 16.2/1 of the Federal Public Procurement Directive (2010).

Bid Floating Period: The date of procurement notice of the bid was November 30, 2012 and the deadline for bid submission was *Tahisas* 30, 2005 E.C. This made the floating period of the bid 39 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, therefore, complies with requirements of the Procurement Directive (2010).

4.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS (TIMELINESS)

The PE has opened the bid on 8^{th} of January, 2013. After carrying out the necessary evaluations and approvals on submittals of technical and financial proposals, the PE has finally forwarded letter of acceptance to the winner on 19-03-2013. From this, it is possible to see that the period to finalize the procurement process has taken about 71 calendar days.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), *'Public bodies have to be complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders …'* In the absence of information of bid validity period of the bid, it is difficult to judge whether or not the PE has carried out the procurement process efficiently.

4.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

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 ten (10) prospective bidders who bought the tender documents for design service contract, only four (4) of them have submitted their qualification applications and financial offers. Hence 60% of the interested bidders have declined to submit their proposals.

4.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities.

- The opening was made immediately after the deadline for submission of tenders.
- There was public opening of proposals in the presence of bidders or their representatives.
- The PE has formally and timely made known to the bidders the results of technical and financial evaluations and was open to submit their complaints.
- Records of complaints lodged by the bidders are retained and were made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening. The extension of bid opening date as per bidders' request was the only information before bid opening date.

4.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of bid document, it was not possible to analyzed the objectivity of tender evaluation and award criteria.

4.1.3.6 OVERVIEW OF CONTRACT MILESTONES: ORIGINAL SCOPE, TIME AND COST

The scope of the contract includes detail engineering design and tender document preparation of runway, taxing way and aprons at Jinka town. The design service contract was signed on 28-03-2013 with a contract price of ETB 3,971,525.00 (USD 132,605.18) including 15% VAT.

Due to lack of primary information, it was not possible to disclose the duration, start and intended completion of the contract. However, in reference with secondary information (letter of conformation provided by the PE to BEZA Consulting Engineers PLC), the design was commenced on April 15, 2013 and completed on January 23rd of 2014.

4.2 DISCLOSURE OF CONTRACT INFORMATION

4.2.1 OVERVIEW OF THE CONTRACT

Signing of the design service contract with BEZA Consulting Engineers PLC was made on 28-03-2013. The original contract amount was ETB 3,971,525.00 (USD 132,605.18) including 15% VAT. During contract period, changes to contract prices have been made for additional services and supplementary agreement and, due to this, the revised contract amount was ETB 4,071,920.0 (USD 135,957.26) including 15% VAT. Due to lack of information, the start date and intended completion of the Contract couldn't be disclosed in this report. However, the actual completion of the contract was on January 23, 2014.

4.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

4.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information.

- Approved payment certificates – interim and final
- Supplementary agreement No.1 document
- Advance payment guarantee
- Letter of conformation provided by the PE to BEZA Consulting Engineers PLC.

With the available information, it was possible to get nine (9) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. Due to lack of information, the following items of contract information couldn't be disclosed in the report.

- Changes to contract duration with reason,
- Amount of Liquidated Damage if applied (penalty for delay),
- Safety Measures (accident and death),
- Quality of work, and
- Disputed issues and award details.

4.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Primary sources of documents are used for verification and the disclosed information can be taken as accurate.

4.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1 ISSUES RELATED TO CONTRACT PRICE

The design service contract was originally agreed with an amount of ETB 3,971,525.00 (USD 132,605.18) including 15% VAT. During the contract period, however, the contract has entertained additional services beyond the original scope, resulting in the following changes to the original contract price.

- ETB 122,245.00 (USD 4,081.64) including 15% VAT – supplementary agreement for the detail engineering design of access road to Jinka Airport which is about 2.5km.;
- ETB 260,000.00 (USD 8,681.14) excluding 15% VAT – subsurface investigation;
- ETB 221,000.00 (USD 7,378.96) excluding 15% VAT - administration overhead and profit.

4.2.3.2 ISSUES RELATED TO CONTRACT DURATION

Due to lack of information, it was not possible to analyze changes to contract duration.

4.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

The contract has entertained the following additional services beyond the original scope

- Detail engineering design of access road to Jinka Airport which is about 2.5km, and
- Subsurface investigation.

5. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR CONTRACT ADMINISTRATION AND SUPERVISION SERVICES

5.1 DISCLOSURE OF PROCUREMENT INFORMATION

5.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

Due to lack of information, it was not possible to disclose the date of procurement notice of invitation. However, three (3) Consulting Firms, listed in Table 5.1, have submitted their qualification applications and financial offers in separate sealed envelopes before the date of bid opening, 24/03/2006 E.C, 2:00 PM.

Table 5.1: Lists of applicants who have submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	BEZA Consulting Engineers PLC	Ethiopia
2	Transport Construction Design S. Co.	Ethiopia
3	SABA Engineering PLC	Ethiopia

On 24/03/2006 E.C, the Procurement Authorization Team-1 of the PE has forwarded a letter, along with the necessary documents, to Airport Infrastructure Directorate to form a Technical Evaluation Committee and proceed the evaluation of bidders' technical proposals and finally submit the results until *Hidar* 30/2006 E.C.

On 08/04/2006 E.C, the Technical Evaluation Committee has forwarded the evaluation results of bidders' technical proposals to the Procurement Authorization Team-1, (Table 5.2). Accordingly, the PE has informed the results of technical evaluation before opening the financial offer.

Table 5.2: Initial technical evaluation results

Item No.	Applicants	Technical Score
1	BEZA Consulting Engineers PLC	82.00%
2	Transport Construction Design S. Co.	78.00%
3	SABA Engineering PLC	80.00%

All bidders have lodged complaints on the evaluated results of the technical proposals concerning the points given to specific experiences of evaluation criteria.

The PE has addressed bidders' complaint to their satisfaction and full point has been given to all for the respective criteria. Accordingly, modification has been made on the initial results of technical evaluation and made known to all bidders (Table 5,3).

Table 5.3: Final results of technical evaluation

Item No.	Applicants	Technical Score
1	BEZA Consulting Engineers PLC	97.00%
2	Transport Construction Design S. Co.	93.00%
3	SABA Engineering PLC	95.00%

All of the three bidders have scored above 70% as per the evaluation criteria and were technically responsive.

On *Tahisas* 24/2006 E.C, at 2:15 PM, the financial bid of the above technically responsive bidders have been opened and read in the presence of their representatives.

On *Tahisas* 24/2006 E.C, the Procurement Authorization Team-1 of the PE has forwarded, a letter along with the necessary documents, to Airport Infrastructure Directorate to form a Financial Evaluation Committee and proceed with the evaluation of bidders' financial proposals and finally submit the results until *Tahisas* 27/2006 E.C.

On *Tahisas* 24/2006 E.C, the Airport Infrastructure Directorate has assigned three members of Financial Evaluation Committee to proceed with the evaluation of bidders' financial proposals.

On *Tir* 23/2006 E.C, the Procurement Authorization Team-1 has forwarded letter, along with the necessary documents, to Airport Infrastructure Directorate the final evaluation results of the bid for decision and proceed to the next step.

According to the result of bid evaluation, Transport Construction Design S. Co. has scored the highest aggregate result and become the winner of the bid with an amount of ETB 206,544.31 (USD 6,896.30) including 15% VAT for monthly Supervision and ETB 41,382.39 (USD 1,381.72) including 15% VAT for defect liability period.

On 19-03-2014, the PE has entered into contract agreement with Transport Construction Design S. Co. to carry out consultancy service of construction supervision and contract administration of runway, taxiway, apron and access road project at Jinka town.

5.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.2.1 COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

With the available information from PE, it was possible to get twenty one (21) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The absence of contract agreement for the service and copy of bid invitation document were the basic reasons for the information gap (Table 5.4).

Table 5.4: Lists of missed Item of disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document	Remark
1	Date of procurement notice	Bid invitation document	
2	Floating period of the procurement notice	Bid invitation document	
3	Media used for procurement notice	Bid invitation document	
4	Type and Amount of bid security	Bid invitation document	
5	Engineer’s estimate	Supervision cost estimate Document (allocated budget)	Usually not practiced for Supervision service
6	Contract duration	Supervision contract agreement	
7	Unit Contract price		
8	Contract start date	Supervision contract agreement	
9	intended completion date	Supervision contract agreement	

5.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The procurement information of contract administration and construction supervision services disclosed on CoST-Ethiopia Disclosure Template are mainly referred from tender evaluation reports. Due to absence of copy of bid invitation document, however, the disclosure of bid opening date, type and method of procurement were taken from secondary information.

5.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

5.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Due to lack of bid advertisement document, it was not possible to analyze the type of media used for the advertisement and sufficiency of floating period for the bid in compliance with the regulatory requirement.

5.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS

The PE has opened the bid on 24/03/2006 E.C. After carrying out the necessary evaluations and approvals on submittals of technical and financial proposals, the PE has finally forwarded letter of acceptance to the winner on 05/02/2014 (27/05/2006 E.C). From this, it is possible to see that the period to finalize the procurement process has taken about 63 calendar days.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), *'Public bodies have to be complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders …'* In the absence of information of bid validity period of the bid, it is difficult to judge whether or not the PE has carried out the procurement process efficiently.

5.1.3.3 FAIRNESS OF THE PROCUREMENT RULES ON PARTICIPATION

It is observed that few number of bidders have participated on the Bid. Only three (3) bidders have submitted their qualification applications and financial offers for the Bid.

5.1.3.4 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities.

- There was public opening of proposals in the presence of bidders and/or their representatives.
- The PE has formally and timely made known to the bidders the results of technical evaluation and entertained their complaints satisfactorily.
- Records of complaints lodged by the bidders are retained and made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening. The request of clarification by one bidder on the bid document was the only information before bid opening date.

5.1.3.5 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of bid document, it was not possible to analyze the objectivity of tender evaluation and award criteria.

5.1.3.6 COMPETITIVENESS OF THE AWARD PRICE

Due to lack of information of Cost Estimate and also readings of competitors' financial offers, it was not possible to analyze the competitiveness of the award price.

5.1.3.7 OVERVIEW OF CONTRACT MILESTONES: ORIGINAL SCOPE, TIME AND COST

The service contract is intended to administer and supervise the construction works of the project in accordance with the required contract provisions. The PE has signed the original service contract with an amount of ETB 206,544.31 (USD 6,896.30) including 15% VAT for monthly supervision and ETB 41,382.39 (USD 1,381.72) including 15% VAT for defect liability period. The contract for the service was intended to commence as per the written notice of the PE. However, due to lack of information, it was not possible to disclose the contract commencement date.

5.2 DISCLOSURE OF CONTRACT INFORMATION

5.2.1 OVERVIEW OF THE CONTRACT

Signing of the contract administration and construction supervision service contract with Transport Construction Design S. Co. was made on 19-03-2014. The original agreed contract amount was ETB

206,544.31 (USD 6,896.30) including 15% VAT for monthly supervision and ETB 41,382.39 (USD 1,381.72) including 15% VAT for defect liability period. Due to lack of information, the start date and intended completion of the contract couldn't be disclosed in this report.

5.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information.

- Approved payment certificates – until May, 2017 (IPC 36),
- Letter of acceptance.

With the available information, it was possible to get six (6) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. However, due to lack of information the following items of contract information couldn't be disclosed in this report.

- Changes with respect to contract duration and Price
- Amount of Liquidated Damage if applied (Penalty for delay)
- Warranty type and description
- Safety Measures (accident and death)
- Quality of work, and
- Disputed issues and award details.

5.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Primary sources of documents are used for verification and the disclosed information can be taken as accurate.

5.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.3.1 ISSUES RELATED TO CONTRACT PRICE

Due to lack of information, it was not possible to analyze changes to contract price.

5.2.3.2 ISSUES RELATED TO CONTRACT DURATION

Due to lack of information, it was not possible to analyze changes to contract duration.

5.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

Records of actual information indicate that the consultant has continually provided its service during the whole period of works contract including extension of time without change of the original scope. Due to lack of information, however, it was not possible to analyze issues related to changes to service duration from the original Contract.

6. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR WORKS CONTRACT

6.1 DISCLOSURE OF PROCUREMENT INFORMATION

6.1.1 OVERVIEW OF THE PROCUREMENT PROCESS

The procurement notice of invitation for the works contract was published on the Ethiopian Herald newspaper on *Tahisas* 19, 2006 E.C. The type of procurement was NCB. Pursuant to the notice of invitation, eighteen (18) applicants have collected the tender documents before the deadline.

Table 6.1: Lists of applicants who have collected the tender documents

Item No.	Applicants	Country of Registration
1	CRBC Addis Engineering PLC	
2	YOTEK Construction PLC	Ethiopia
3	YENCOMAD Construction PLC	Ethiopia
4	SHED General Contractor	Ethiopia
5	Samson Chernet Road Contractor	Ethiopia
6	AFRO-TSION Construction PLC	Ethiopia
7	Yemane Girmay General Contractor	Ethiopia
8	Aser Construction PLC	Ethiopia
9	Yirgalem Construction PLC	Ethiopia
10	Macro General Contractor & Trading PLC	Ethiopia
11	Ethio General Contractor	Ethiopia
12	Akir Construction PLC	Ethiopia
13	Fal Trading General Contractor	Ethiopia
14	ANSIF Construction	
15	Awash Welday General Contractor	Ethiopia
16	Zeliul Yohannes General Contractor	Ethiopia
17	Tesfaye Legesse Construction	Ethiopia
18	JHC Projects Ltd.	

Among eighteen (18) applicants who have bought the tender documents from PE, twelve (12) of them (see Table 6.2) have submitted their qualification applications and financial offers in separate sealed envelopes before/on *Tir* 27, 2006 E.C, 10:00 PM.

Table 6.2: Lists of Applicants who have submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	CRBC Addis Engineering PLC	
2	YOTEK Construction PLC	Ethiopia
3	YENCOMAD Construction PLC	Ethiopia
4	SHED General Contractor	Ethiopia
5	Samson Chernet Road Contractor	Ethiopia
6	AFRO-TSION Construction PLC	Ethiopia
7	Yemane Girmay General Contractor	Ethiopia
8	Aser Construction PLC	Ethiopia
9	Yirgalem Construction PLC	Ethiopia
10	Macro General Contractor & Trading PLC	Ethiopia
11	Ethio General Contractor	Ethiopia
12	Akir Construction PLC	Ethiopia

The evaluation of the bid was carried out in two stage procedure. The selection criteria of the bid was that a bidder has to score a minimum of 70% to qualify for financial competition. The least bidder among the ones who passed the technical requirement is selected.

At the time of bid opening, the Procurement Authorization Team-1, representing the PE, has opened the envelope of technical proposal submittals in front of the bidders' representatives while the financial proposal submittals remain sealed as it is until its opening date.

On 28/05/2006 E.C, the Procurement Authorization Team-1 of the PE has forwarded a letter, along with the necessary documents, to Airport Infrastructure Directorate to form a Technical Evaluation Committee and proceed with the evaluation of bidders' technical proposals and finally submit the results until *Yekatit* 14/2006 E.C.

On 30/05/2006 E.C, the Chief Executive Officer of the PE has assigned five members of Technical Evaluation Committee to proceed with the evaluation of bidders' technical proposals. However, the evaluation of bidders' technical proposals has been carried out by only three members.

Out of twelve (12), who submitted their applications, two (2) bidders are rejected due to matters in related to legality. Ten (10) bidders are evaluated and out of them four bidders found to be technically responsive scoring above minimum required point of 70%. Before finalizing the evaluation, the bidders have been notified with the results of the technical evaluation through letters to the respective offices.

Accordingly, five (5) bidders have lodged their complaints on the evaluation result (Table 6.3)

Table 6.3: Lists of bidders and complaints lodged on the technical evaluation results

Item No.	Bidder's Name	Complaints lodged
1	SHED General Contractor	Request for reevaluation on evaluated result of bidder's experience and machinery
2	Akir Construction PLC	Complaints on rejection of bid evaluation due to absence of renewed Certificate of Competence on bidder's application however make known the PE as it was on process but took long time on the respective authority not by bidder's fault.
3	Aser Construction PLC	Complaint on the Evaluation criteria due to not considering the 2012-2014 years of experience on the evaluation.
4	Yirgalem Construction PLC	Request for reevaluation on the evaluated result of manpower and machinery.
5	Ethio General Contractor	Complaints on rejection of bid evaluation due to absence of renewed Certificate of Competence on bidder's application however make known the PE as it was on process

The Technical Evaluation Committee has responded to complaint of all bidders' stating the reasons with respect to evaluation criterion. The evaluation results were upheld four technically responsive bidders qualified for the next financial evaluation.

On 19/06/2006 E.C, the Technical Evaluation Committee has forwarded the evaluation results of bidders' technical proposals to the Procurement Authorization Team-1. On 25/06/2006 E.C, the Procurement Authorization Team-1 forwarded a letter to the Technical Evaluation Committee to review again the complaints of the two bidders rejected due to matters related to legal status. The results, however, were not changed.

Table 6.4: Lists of technically responsive bidders

Item No.	Applicants	Country of Registration
1	AFRO-TSION Construction PLC	Ethiopia
2	CRBC Addis Engineering PLC	Ethiopia
3	YOTEK Construction PLC	Ethiopia
4	YENCOMAD Construction PLC	Ethiopia

On *Miazia* 15/2006 E.C, at 3:00 PM, the financial bid of the technically responsive bidders have been opened and read in the presence of their representatives.

On 16/08/2006 E.C, the Procurement Authorization Team-1 has forwarded a letter, along with the necessary documents, to Airport Infrastructure Directorate to form a Financial Evaluation Committee and proceed the evaluation of bidders' financial proposals and finally submit the results until *Miazia*

22/2006 E.C. On 16/08/2006 E.C, the Airport Infrastructure Directorate has assigned three members of Financial Evaluation Committee to proceed with the evaluation of bidders' financial proposals.

On 12/09/2006 E.C, the Procurement Authorization Team-1 has forwarded a letter, along with the necessary documents, to Airport Infrastructure Directorate the final evaluation results of the bid for decision and direction to proceed to the next step.

According to the result of bid evaluation, AFRO-TSION Construction PLC has scored least offer and become the winner of the bid with an amount of ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT. On 19-05-2014, the PE has issued letter of acceptance to AFRO-TSION Construction PLC.

On 27-05-2014, the PE has entered into Contract with AFRO-TSION Construction PLC to construct the Airfield (runway, taxiway and apron with asphalt concrete) at Jinka town within 760 calendar days.

6.1.2 VERIFICATION OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.2.1 COMPLETENESS OF THE DISCLOSED PROCUREMENT INFORMATION

With the available information from PE, it was possible to get twenty-seven (27) out of thirty (30) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. The absence of copy of bid invitation and Engineer's estimate documents were the basic reasons for the information gap of disclosure (Table 6.5).

Table 6.5: Lists of missed Item of disclosure and unavailable documents

It. no.	Missed Items of Disclosure	Required Document	Remark
1	Type and amount of bid security	Bid Invitation document	
2	Engineer's estimate	Works Engineer's cost estimate document	
3	Unit contract price (price/km)		

6.1.2.2 ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The Procurement Information of works contract disclosed on CoST-Ethiopia Disclosure Template are mainly referred from original Sources. In the absence of copy of bid invitation document, however, the disclosure of date of procurement notice, floating period of the procurement notice, media used for procurement notice, bid opening date, type and method of procurement are taken from tender evaluation report and can be taken as secondary source.

6.1.3 ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.3.1 COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

Media used for Bid Advertisement: The Bid was openly advertised on the Ethiopian Herald which has wide coverage and it complies with Article 16.2/1 of the Federal Public Procurement Directive (2010).

Bid Floating Period: The date of procurement notice of the bid was *Tahisas* 19, 2006 E.C and the deadline for bid submission was *Tir* 27, 2006 E.C. This makes the floating period of the bid 39 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010), the minimum bid period is be 30 days for National Competitive Bid. The Floating Period of the bid is, therefore, complies with rules of the Procurement Directive (2010).

6.1.3.2 EFFICIENCY OF THE PROCUREMENT PROCESS (TIMELINESS)

The PE has opened the bid on *Tir* 27, 2006 E.C. After carrying out the necessary evaluations and approvals on submittals of technical and financial proposals, the PE has finally forwarded letter of acceptance to the winner on 19-05-2014 (11/09/2006 E.C). From this, it is possible to see that the period to finalize the procurement process has taken 105 calendar days. The durations utilized by the different stages of the procurement process are summarized in Table 6.6:

Table 6.6: Summary of procurement process and period of performance for works contract

It. no.	Description of Procurement Process	Start Date	Completion Date	Period (Cal. Days)
1	Opening date of the bid	TIR 27, 2006 E.C	TIR 27, 2006 E.C	1
2	Assigning Technical Evaluation Committee	28/05/2006 E.C	30/05/2006 E.C	3
3	Technical Evaluation	31/05/2006 E.C	19/06/2006 E.C	19
4	Review of Technical Evaluation results and bidders' complaint by Procurement Authorization Team-1	20/06/2006 E.C	MIAZIA 14/2006 E.C	54
5	Opening date of the Financial bid	MIAZIA 15/2006 E.C	MIAZIA 15/2006 E.C	1
6	Assigning Financial Evaluation Committee	16/08/2006 E.C	16/08/2006 E.C	1
7	Financial Evaluation, finalizing bid evaluation and forwarding letter of acceptance	17/08/2006 E.C	11/09/2006 E.C	25
			Total Period ………..	105

The evaluation of bidders' technical proposal was finalized within nineteen days and in relation to other procurement processes it was the least one. On the other hand, the review period of bidders' complaints has required long time as compared to the period required for the technical evaluation. The reviewing of bidders' complaints specially lodged by two bidders who have been rejected from technical evaluation was serious issues requiring long period to finalize.

In accordance with clause 16.15.4 of Federal Public Procurement Directive (2010), it is stated that *'Public bodies have to be complete bid proceedings within the validity period of bid documents and sign contracts with successful bidders …'.* Due to lack of information, of bid validity period, however, it was not possible to justify whether the PE has carried out the procurement process efficiently or not.

6.1.3.3 TRANSPARENCY OF THE TENDER EVALUATION PROCESS

The tender process after bid opening date was transparent enough and traceable. It conducted the following activities.

- There was public opening of proposals in the presence of bidders and/or their representatives.
- The PE has formally and timely made known to the bidders the results of technical evaluation and entertained their complaints.

- Records of complaints lodged by the Bidders and the responses given are retained and made available for review.

On the other hand, the transparency of the overall tender evaluation process couldn't be discussed in this report due to limitation of required information before bid opening.

6.1.3.4 OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

Due to lack of Bid Document, it was not possible to analyzed the objectivity of tender evaluation and award criteria.

6.1.3.5 COMPETITIVENESS OF THE AWARD PRICE

Due to lack of Engineer's Estimate, it was not possible to analyze the competitiveness of the award price.

6.1.3.6 OVERVIEW OF CONTRACT MILESTONES: ORIGINAL SCOPE, TIME AND COST

The original scope of the project includes the following major works:

1. Lot1: Construction of airfield (runway, taxiway and apron) with asphalt concrete
    a. Runway: 2620m + 150m long and 45m + 7.5m wide strip
    b. Taxiway: 23m wide with 7.5m shoulder each side
    c. Apron: 200m by 120m and 7.5m shoulder
2. Lot 2: Construction of Roads:
    a. Main access road (asphalt paved, 2.6km): from town to the airport
    b. Diversion road (gravel surfaced, 4.2km): to Baytsemal kebele, shifting of existing road that crosses the runway.
    c. Drainage facilities (like box culverts both at runway and access road, pipe culverts at Access road and diversion road, Lined paved water way for airfield and access road and masonry gutter at access road and pron)
    d. Other ancillary works.

The PE has signed a contract with AFRO-TSION Construction PLC with an amount of ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT to be completed within 760 calendar days.

6.2 DISCLOSURE OF CONTRACT INFORMATION

6.2.1 OVERVIEW OF THE CONTRACT

Signing of the works contract was made on 27-05-2014. The original agreed contract mount was ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT and intended to be completed within 760 calendar days. The Contract has started on 22 June 2014 and intended to be completed on 22 July 2016. Due to the occurrence of changes, the contract has entertained 279 Calendar days' extensions of time and an amount of ETB 31,766,448.06 (USD 1,060,649.35) before VAT changes to contract price. The contract was completed and provisionally accepted on April 21, 2017.

6.2.2 VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

6.2.2.1 COMPLETENESS OF THE DISCLOSED CONTRACT INFORMATION

The PE has made available the following documents for the disclosure of contract information:

- Approved payment certificate – PC no. 12,
- Approved extension of time (EOT) – EOT no. 2 to EOT no.7,
- Approved EOT for additional work of firefighting station,

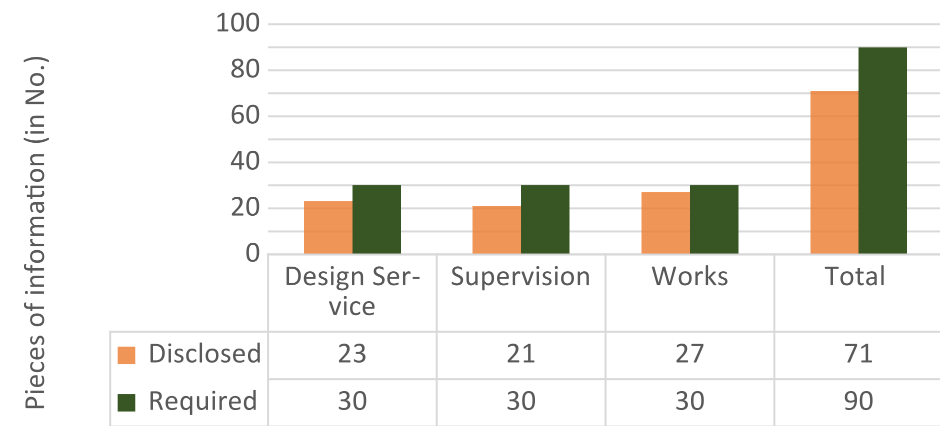
- Signed and sealed revised cost estimate document submitted by consultant to PE.
- Advance payment guarantees,
- Signed and sealed provisional acceptance document.

With the available information, it was possible to get ten (10) out of fourteen (14) pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. However, due to lack of information the following items of contract information couldn't be disclosed in this report:

- Amount of liquidated damage if applied (penalty for delay),
- Safety measures (accident and death),
- Quality of work, and
- Disputed issues and award details.

Summary of the percentage of disclosure for design, supervision and works contracts is given in Fig. 6.1

Fig. 6.1: Degree of Information Disclosure on the three Contracts



The numbers in Figure 6.1 give a disclosure rate of 78.9 percent. As the project is completed, Project Information at Completion is filled. As can be read from the Standard Disclosure Template under Chapter 8, the disclosure rate for the Preliminary Project information and Project Information at Completion are 77.7 percent and 100 percent. These figures aggregated with the figures under Figure 6.2 bring the total disclosure rate to 74.7 percent.

6.2.2.2 ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

Original sources of documents are used for verification and hence the contract information disclosed in this report are accurate.

6.2.3 ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

6.2.3.1 ISSUES RELATED TO CONTRACT PRICE

The works contract was originally intended to be completed with an amount of ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT. During the progress of construction, the contract has entertained different variation works and new work orders and this caused increase 7% on the original contract price. On the other hand, the contract has encountered significant changes of quantities on with a total effect of decreasing the original contract price with 15%. In aggregate, the contract has been completed with less amount showing a decrease of about 8% from the original contract price. The overall changes to contract price is summarized in Table 6.7.

Table 6.7: Description of changes to contract price

It. no.	Description		Amount in ETB (USD)	Amt. (in %)	Remark
I	**Original Contract Price (without VAT, without contingency)**	**A**	**451,959,447.63 (USD 15,090,465.70)**	**100**	
II	**Revised Contract Price - Increase and/or decrease in BOQ (without VAT)**	**B**	**382,662,669.32 (USD 12,776,716.84)**	**84.67**	
III	**Variations**				
1	VO No.1: *Material type adjustment – 30cm granular fill layer in place of 20cm clay seal and 10cm borrow fill.*		17,319,829.31 (USD 578,291.46)		Substitution of Work Item
2	VO No.2: *New additional work on Access Road – Access Road extension (4 lane), 50cm subgrade treatment, shoulder width adjustment.*		7,020,756.84 (USD 234,415.92)		Changes in dimension, level, line ....
3	Other new Work Orders:				
	3.1) Utility/Service Duct and associated works		1,134,051.60 (USD 37,864.83)		Missed Work
	3.2) Diversion Road Extension		261,107.42 (USD 8,718.11)		
	3.3) Back slopping trimming		1,602,829.83 (USD 53,516.86)		
	Passengers' Terminal				
	3.4) Temporary Passengers' Terminal Building Construction		3,880,702.50 (USD 129,572.70)		Provisional Sum
	3.5) Fire Fighting Station Building Construction		547,170.56 (USD 18,269.47)		
	Total Variations (without VAT) .	**C**	**31,766,448.06 (USD 1,060,649.35)**	**7.03**	
IV	**Total Revised Contract Price**	**D=B+C**	**414,429,117.38 (USD 13,837,366.19)**	**91.70**	
	15% VAT	E	62,164,367.61 (USD 2,075,604.93)		
	GRAND TOTAL with VAT	**F=D+E**	**476,593,484.99 (USD 15,912,971.12)**		

The Total payment certified for the contract was ETB 414,532,533.58 (USD 13,840,819.15) before 15% VAT which is almost similar to total revised contract price stated in Table 6.7. The completion of the contract within the limit of the intended Contract Price is appreciated. However, we forward our comments to the attention of the PE with respect to changes in the quantity of original BOQ and the need of material type adjustment from the original study.

Price adjustment has been made over the contract with a total amount of ETB -34,771,625.07 (USD 1,160,989.15) before VAT and this amount has been decreased from final payment certificate which is appreciated. It is highly recommended to implement this experience in similar projects.

Causes of Concern:

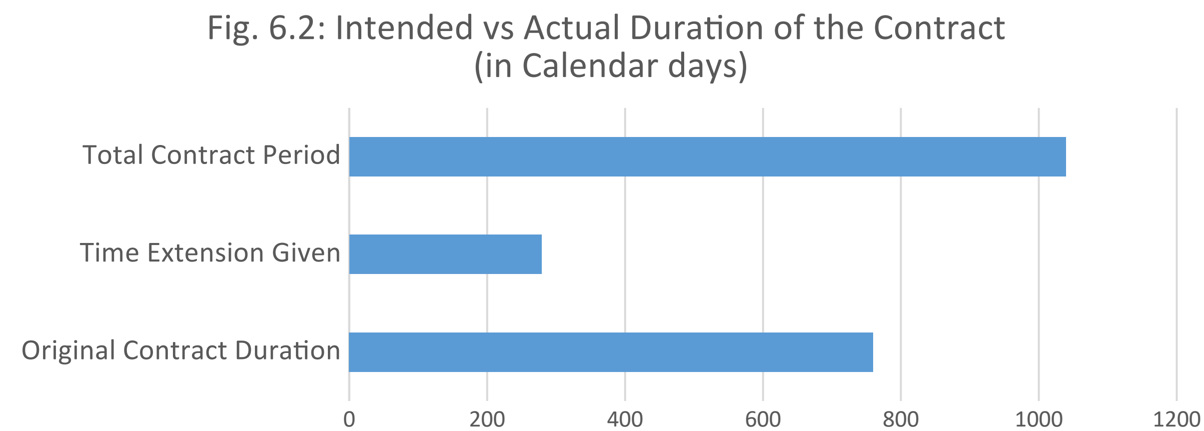
The occurrence of changes in quantity and the need of material type adjustment from the original study results significant change on the original contract price which require further analysis to justify the root causes of the problem. In reference with consultant's cost breakdown submitted to PE with letter ref. no. TDSWS/MG. A4/3406, dated 24 May 2017, significant cost variation from the original estimation have been encountered on the work items of drainage (-42.52%), and ancillary works (29.55%). The basic reasons to those cost variations were overestimation of volume of masonry work and incorrect quantification of landscaping work. One of the potential source of the problem could be the quality of design and tender document preparation.

6.2.3.2 ISSUES RELATED TO CONTRACT DURATION

The works contract was originally intended to be completed within 760 calendar days. The construction work for the contract was started on 22 June 2014 and intended to be completed on 22 July 2016. Due to several reasons, a change has been made to contract duration at different time resulting to a total time extension of 279 calendar days. The details of changes to contract duration is summarized, in Table 6.8. It is graphically presented in Fig. 6.2.

Table 6.8: Description of changes to contract duration

EOT No.	Approval Date of Time Extension	Extended Time (in Cal. days)	Reason for Time Extension
1.			
2.		0	Exceptional weather conditions
3.	14 Nov. 2016	104	Exceptionally adverse conditions, variation order for a change from 20cm clay seal fill to 30cm granular fill and delay to remove obstructions by the Public Body.
4.	28 Aug. 2017	48	Instruction for additional works/variation Order
5.	28 Aug. 2017	38	
6.	28 Aug. 2017	13	Instruction for additional works/variation order
7.	03 Nov. 2017	16	Delay in provisional acceptance, Right of way obstruction and delay in release of payment No.3.
	28 Aug. 2017	60	Additional work for firefighting station



	Original Contract Duration	Time Extension Given	Total Contract Period
Series1	760	279	1039

The contract has entertained significant amount of time extensions (37% of the original contract period).

Cause of Concern

The Contract was provisionally accepted on April 21, 2017 resulting in a delay of 13 calendar days beyond the revised completion date. It implies that the contractor has shown a default on the contract and shall be subjected to a penalty as per Clause 27 and Clause 78 of GCC which describes the following:

Due to lack of information, it was not possible to justify whether the PE has taken the necessary action over the contract delay as per the contract provisions.

6.2.3.3 ISSUES RELATED TO CONTRACT SCOPE

During construction period, a number of changes to the original scope has been issued at different times to perform the following:

- Extension of diversion road,
- 50 cm replacement of underlying poor, expansive soil,
- Widening of shoulder of access road from 0.5m to 1.5m,
- Change of 20cm clay seal fill to 30cm granular fill.
- Temporary passengers' terminal building construction, and
- Firefighting station construction

7. CONCLUSION AND RECOMMENDATION

7.1 CONCLUSION

The disclosure and assurance process of the project under review was carried out with the information collected from the project files of the PE. The PE's cooperation in this respect is appreciated. However, due to absence of some documents in the PE's project files, it was not possible to collect all pieces of information required by the Standard Disclosure Template of CoST – Ethiopia. With the available information it was possible to review and analyze performance of the procurement process after bid opening as well as during contract implementations of all bids and hence, appreciable findings and causes for concern were identified. Due to lack of information, however, it was not possible to make a complete review of procurement process.

The project was planned to be implemented using Design-Bid-Build project delivery method. As a result, the PE has carried out the procurement of design service, contract administration and construction supervision services and works in subsequent phases separately and entered into ontracts with the winners of the bids.

It is observed that the procurement process, starting from the date of bid opening, of the three contracts almost followed the requirements of Federal Government Public Procurement Directive. The Bids were openly advertised on widely known newspaper allocating sufficient time of floating. Two separate teams, Procurement Authorization Team-1 and Technical/Financial Evaluation Committee, were organized by the PE to perform the evaluation and approval of procurements for bids. The openings of proposals were public and carried out in the presence of Bidders and/or their representatives. The PE has timely notified the bidders the results of technical and financial evaluations and entertained their complaints. The evaluations of bidders' proposals were finalized within reasonable time except for works which has taken some time due to delay in responding to bidder's complaints.

Moreover, the PE has almost shown good performances on implementing Contracts. The implementation of the two service contracts were carried out under the administration of the PE. Whereas a separate consultant has been assigned by PE to supervise and administer works contract. The design service and works contracts were implemented in good condition and without significant changes to. Due to lack of information, however it was not possible to evaluate changes to contracts performed on construction supervision and contract administration service contract.

In the implementation of works contracts, however, default on applying contract provisions were observed. On design service contract significant cost changes were also observed.

Works Contract - default on applying contract provisions: The Works Contract has been performed and completed under close follow-up and control of PE and the consultant. The Contract was provisionally accepted on April 21, 2017 resulting a delay of 13 calendar days beyond the revised completion date. It implies that the contractor has shown a default on the contract and shall be subjected to a penalty as per Clause 27 and Clause 78 of GCC. Due to lack of information, however, it was not possible to justify whether the PE has taken the necessary action over the contract delay as per the respective contract provisions.

Works Contract - significant changes to contracts: The occurrence of changes in the quantity of original BOQ and the need of material type adjustment from the original study results significant change on the original contract price which requires further analysis to justify the root causes of the problem. The reasons to those cost variations were overestimation of volume of masonry work and incorrect quantification of landscaping work. One of the potential source of the problem could be the quality of design and tender document preparation in which the PE has to consider for consideration on future projects.

7.2 ISSUES RECOMMENDED FOR FURTHER REVIEW

It is clear that the degree of availability of project information matters on the quality of the assurance report. Even if the PE has made open to access all project files for the disclosure, some documents were not available. The assurance could not, therefore, go further on the review and analysis of PE's performance on the following issues.

- OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA of the three Contracts.
- competitiveness of the award price of the three Contracts.
- changes to contract duration of design service contract.
- COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT
- changes to contract duration and price of contract administration and construction supervision service contract.
- project approval date, Planned/Original duration and cost estimate for completing the whole project.

One of the basic reasons of such information gap in project files was believed to be lack of proper management and maintenance of all project information (documents, records, etc.,) starting from project appraisal.

The problem of acquiring complete information was observed in almost all PEs which requires concrete solution to acquire best performance and prepare quality assurance report for projects included in CoST program. Therefore, building the capacity of the PEs on managing project information is required.

Another key recommendation made to the PE is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation.

8. PROJECT AND CONTRACT INFORMATION DISCLOSURE - CoST ETHIOPIA (STANDARD TEMPLATE)

DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)				
PHASE	**ITEMS OF DISCLOSURE**	**CONSTRUCTION**	**DESIGN**	**SUPERVISION**
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure			
	Contract title	Construction works of Airfield (Runway, Taxiway and Apron with Asphalt Concrete) at Jinka Town.	Consultancy Services for Detailed Engineering Design and Tender Document Preparation for Jinka Town Airfield Project.	Consultancy Service for the Construction Supervision & Contract Administration of Runway, Taxiway, Apron & Access Road project at Jinka Town.
	Location	Southern Nations, Nationalities and Peoples Regional State (SNNPRS), South Omo Zone, Jinka Town		
	Procuring entity	The Federal Democratic Republic of Ethiopia, Ethiopian Airports Enterprise		
	Source for further information	Ethiopian Airports Enterprise; Attention – Airports Infrastructure Directorate, Floor/Room number – 6th floor, Street Address – Africa Avenue, P. O. Box – 90652, Town/City – Addis Ababa, Ethiopia, Telephone - +251-11-665 04 00.		
	Date of procurement notice	TAHISAS 19/2006 (19/04/2006 E.C)	HIDAR 21/2005 E.C	DNA
	Floating period of the procurement notice	39 Calendar days	39 Calendar days (including 7 days extension)	DNA
	Media used for procurement notice	Ethiopian Herald News Paper	Ethiopian Herald News Paper	DNA
	Method of procurement	Open bidding	Open bidding	Open bidding
	Type of Procurement	NCB	NCB	NCB

	Procurement procedure	Two stage bidding	Two stage bidding	Two stage bidding
	Evaluation criteria	LCBS	QCBS	QCBS
	Type of contract & project delivery method	Type of contract - unit price, Project delivery method - Design-Bid-Build	DNA	Lump sum
	Type & Amount of bid security	DNA	DNA	DNA
	Content of any complaint lodged	Complaints have been lodged by five bidders with respect to the Preliminary and Technical Evaluation results: 1. Complaint of one bidder on evaluated result of bidder's experience and machinery and request for reevaluation, 2. Complaints of two bidders on rejection of their bid evaluation due to late submission of renewed Certificate of Competence, 3. Complaint of one bidder on the evaluated result of manpower and machinery and request for reevaluation, 4. Complaint of one bidder on the Evaluation criteria due to not considering the 2012-2014 years of experience on the evaluation. All of the above listed complaints have been discussed by the Procuring Entity and given response to the respective bidders before opening of the Financial bid.	Complaints have been lodged by one bidder in relation to evaluated result of bidder's experiences and personnel	Complaints have been lodged by all bidders in relation to evaluated result of bidder's specific experiences
	Engineer's estimate	DNA	DNA	DNA
	Date of bid opening	TIR 27/2006 (27/05/2006 E.C)	TAHISAS 30/2005 E.C	24/03/2006 E.C, 2:30 PM
	Number of bidders:	Participated - 12	Participated - 4	Participated - 3

	Participated, rejected and declined to submit	Rejected - 2 Declined to submit - 6	Rejected - 0 Declined to submit - 6	Rejected - 0 Declined to submit - DNA
	Awarded firm /contracting firm/	AFRO-TSION Construction PLC	Beza Consulting Engineers PLC	Transport Construction Design Share Company
	Date of contract award	19-05-2014	19/03/2013	05/02/2014
	Award price/original contract price	ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT	ETB 3,971,525.00 (USD 132,605.18) including 15% VAT	206,544.31 ETB (USD 6,896.30) including 15% VAT for monthly Supervision and 41,382.39 ETB (USD 1,381.72) including 15% VAT for defect liability period
	Unit Contract price (price/km, price/sq. meter)	DNA	DNA	DNA
	Contract security type and amount	Performance Bond /Insurance/ - ETB 57,171,145.13 (USD 1,908,886.31)	Professional Indemnity Insurance - ETB 3,971,525.00 (USD 132,605.18)	Professional Indemnity Insurance - ETB 4,957,063.31 (USD 165,511.30)
	Date of contract signing	27-05-2014	28-03-2013	19-03-2014
	Description of contract & Contract components	The following are major construction activities to be carried out under the contract: Lot1: Construction of Airfield (Runway, Taxiway and Apron) with Asphalt concrete Runway: 2620m x 150m strip/45m plus 7.5m width shoulders/ Taxiway: 23m width with 7.5m shoulder each side Apron: 200m x 120m and 7.5m shoulder Lot 2: Construction of Roads Main Access Road (Asphalt paved, 2.6km):	Detailed Engineering Design and Tender Document Preparation of Runway, Taxiway & Apron at Jinka Town	Construction supervision and Contract Administration of Runway, Taxiway, Apron & Access Road project at Jinka Town.

		from town to Airport Diversion Road (Gravel surfaced, 4.2km): to Baytsemal kebele, shifting of existing road that crosses the runway. Drainage facilities (like Box culverts both at Runway and Access Road, Pipe culverts at Access Road and Diversion Road, Lined paved water way for Airfield and Access Road and Masonry gutter at Access Road and Apron) Other Ancillary Works.		
	Contract administration entity	Transport Construction Design Share Company	Ethiopian Airports Enterprise	Ethiopian Airports Enterprise
	Contract duration	760 Calendar days	DNA	DNA
	Contract start date	22 June 2014	DNA	DNA
	Intended completion date	22 July 2016	DNA	DNA
CONTRACT IMPLEMENTATION & COMPLETION (14 ITEMS)	Contract status (ongoing (% progress), terminated, completed)	Completed – Provisional Acceptance	Completed	Ongoing – Defect Liability Period
	Completion date (Revised, projected, Actual)	Actual - April 21, 2017 Revised - 8th April, 2017 - EOT no. 07	Actual - January 23, 2014	Projected - 8th April, 2018
	Changes to Contract Duration with Reason	Total EOT = 279 Calendar days. EOT Claim no. 03 – 104 Calendar days; Due to variation order for a change from 20cm clay seal fill to 30cm granular fill. EOT Claim no. 04 – 48 Calendar days, Instruction for Additional Works/Variation Order EOT Claim no. 05 – 38 Calendar days, EOT Claim no. 06 – 13 Calendar days, Instruction for Additional Works/Variation Order EOT Claim no. 07 – 16 Calendar days, Delay in Provisional Acceptance, Right of way obstruction and delay in release of payment No.3.	DNA	DNA

		EOT Claim no. -- – 60 Calendar days, Additional works for Fire Fighting Station –		
	Amount of Liquidated Damage if applied (Penalty for delay)	DNA	DNA	DNA
	Contract price (Revised, projected, Actual)	ETB 476,593,484.99 (USD 15,912,971.12) including 15% VAT	ETB 4,071,920.00 (USD 135,957.26) incl. 15% VAT	
	Changes to Contract Price with reason	Total = ETB 31,766,448.06 (USD 1,060,649.35) excluding 15% VAT ETB = 17,319,829.31 (USD 578,291.46) excluding 15% VAT Material type adjustment – 30cm granular fill layer in place of 20cm clay seal & 10cm borrow fill; ETB = 7,020,756.84 (USD 234,415.92) excluding 15% VAT New additional work on Access Road – Access Road extension (4 lane), 50cm subgrade treatment, shoulder width adjustment; ETB = 1,134,051.60 (USD 37,864.83) excluding 15% VAT Utility/Service Duct and associated works; ETB = 261,107.42 (USD 8,718.11) excluding 15% VAT Diversion Road Extension; ETB = 1,602,829.83 (USD 53,516.86) excluding 15% VAT Back slopping trimming; ETB = 3,880,702.50 (USD 129,572.70) excluding 15% VAT Temporary Passengers' Terminal Building Construction; ETB = 547,170.56 (USD 18,269.47) excluding 15% VAT Fire Fighting Station Building Construction.	ETB 122,245.00 (USD 4,081.64) including 15% VAT – Supplementary Agreement for Access Road Design; Subsurface Investigation - ETB 260,000.00 (USD 8,681.14) excluding 15% VAT; Administration Overhead & Profit ETB 221,000.00 (USD 7,378.96) excluding 15% VAT.	
	Scope at completion	Original scope plus Changes to contract scope listed hereunder.	Detailed Engineering Design and Tender Document Preparation for Jinka Town	Construction supervision & Contract Administration of Runway, Taxiway,

			Airfield Project, Detailed Engineering Design of 2.5km Access Road and Subsurface Investigation	Apron & Access Road project at Jinka Town.
	Changes to contract scope with reason	Extension of Diversion Road, 50 cm Replacement of underlying poor, expansive soil, Widening of shoulder of Access Road from 0.5m to 1.5m and change of 20cm clay seal fill to 30cm granular fill. Temporary Passengers' Terminal and Fire Fighting Station Building Construction.	Access Road Design which was missed from original Contract; Subsurface Investigation.	None
	Total payment effected	Total payment certified: ETB 414,532,533.58 (USD 13,840,819.15) excluding 15% VAT ETB 476,712,413.62 (USD 15,916,942.02) including 15% VAT.	ETB 3,583,170.00 (USD 119,638.40) including 15% VAT.	ETB 5,836,281.71 (USD 194,867.50) including 15% VAT – until May, 2017 (no. 36)
	warranty type and description	Advance Payment Unconditional Bank Guarantee – ETB 103,916,172.95 (USD 3,469,655.19) Advance Payment Bank Guarantee – ETB 51,958,086.48 (USD 1,734,827.59)	Advance Payment Bank Guarantee – ETB 1,191,457.50 (USD 39,781.55)	DNA
	Details of Termination if applied	Termination not applied	Termination not applied	Termination not applied
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

<table>
<tr><td colspan="3"></td></tr>
<tr><th colspan="3">DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)</th></tr>
<tr><td colspan="3"></td></tr>
<tr><td rowspan="9">PRELIMINARY PROJECT INFORMATION (18 ITEMS)</td><td>Date of disclosure</td><td></td></tr>
<tr><td>Project owner</td><td>The Federal Democratic Republic of Ethiopia Ethiopian Airports Enterprise</td></tr>
<tr><td>Project name</td><td>Construction works of Airfield (Runway, Taxiway and Apron with Asphalt Concrete) at Jinka Town.</td></tr>
<tr><td>Sector, subsector</td><td>Transport /Road/ sector</td></tr>
<tr><td>Source for further information</td><td>Ethiopia Ethiopian Airports Enterprise;
Attention – Airports Infrastructure Directorate,
Floor/Room number – 6th floor,
Street Address – Africa Avenue,
P. O. Box – 90652,
Town/City – Addis Ababa, Ethiopia,
Telephone - +251-11-665 04 00</td></tr>
<tr><td>Project Location</td><td>Southern Nations, Nationalities and Peoples Regional State (SNNPRS), South Omo Zone, Jinka Town</td></tr>
<tr><td>Purpose</td><td>The project site (Jinka Town) geographical location, natural resources, proximity to the Mago National Park and the areas of multi nationality has been one main attraction for tourist destinations and investment opportunities. Jinka Town has therefore been a major air network demand. In view of the increasing number of tourists, it has been found necessary to boost air services through the development of air transport infrastructure. The service aims at enabling Jinka Town to have access by air transport to the rest of country and boost tourist and investment flow. Additionally, the project aims to increase Ethiopia’s earnings in foreign currency by attracting additional general aviation carrier's traffic through improved facilities and services at the town.</td></tr>
<tr><td>Project description</td><td>The project is located on the out skirt of Jinka town. The town is located in South Omo Zone in SNNPRS at the hills of the Tama plains. It has latitude of 5°47’N and longitude of 36°34’E and an elevation of 1490 meters above sea level.</td></tr>
<tr><td>Original Project Scope</td><td>The original scope of the project includes the following major works:
Lot1: Construction of Airfield (Runway, Taxiway and Apron) with Asphalt concrete
Runway: 2620m x 150m strip/45m plus 7.5m width shoulders/
Taxiway: 23m width with 7.5m shoulder each side
Apron: 200m x 120m and 7.5m shoulder</td></tr>
</table>

		Lot 2: Construction of Roads: Main Access Road (Asphalt paved, 2.6km): from town to Airport Diversion Road (Gravel surfaced, 4.2km): to Baytsemal kebele, shifting of existing road that crosses the runway. Drainage facilities (like Box culverts both at Runway and Access Road, Pipe culverts at Access Road and Diversion Road, Lined paved water way for Airfield and Access Road and Masonry gutter at Access Road and Apron) Other Ancillary Works.
	Project Components	1. Consultancy Services for Detailed Engineering Design of Runway, Taxiway & Apron at Jinka Town." is made to furnish all relevant engineering design and service complete in all respects. 2. Consultancy Service for the Construction Supervision & Contract Administration; 3. Construction of Airfield (Runway, Taxiway and Apron with Asphalt Concrete).
	Environmental impact	Environmental Protection and Mitigation Measures: Fulfill any Regional and National statutory requirements and liaison with Local, Regional and National Authorities with respect to environmental issues. Comply in every respect with the Environmental (Impact) Mitigation Plan prepared by the PE for the project. Adequately mitigate and reduce the negative impacts that the macro and micro impacts will have on the project the physical environment, and the affected communities, in accordance with the Mitigation measures stated in the Contract Document with respect, but not limited, to the following areas of environment issues: Quarries and Borrow Areas, Slope Stability, Trees/Natural Forests, Archaeological Artifacts, Contractor's Yard, Labor Accommodation, Construction Sites, Etc., Storage, Access Roads, Labor Recruitment, Cuts and Fills.
	land & settlement impact	DNA
	Estimated budget of the project with	DNA

	breakdown of components	
	Funding sources	The Government of Federal Democratic Republic of Ethiopia
	Project budget approval date	DNA
	Project start date (planned, actual)	Due to lack of information it was not possible to disclose the official start date of the project however, notice of bid invitation for Design Service was initially published on Ethiopian Herald Newspaper on November 30, 2012.
	Planned/ Original duration for completing the whole project	DNA
	Planned/Original cost of the project	• ETB 3,971,525.00 (USD 132,605.18) including 15% VAT for Design Service Contract, • ETB 206,544.31 (USD 6,896.30) including 15% VAT for monthly Supervision and ETB 41,382.39 (USD 1,381.72) including 15% VAT for defect liability period for Construction Supervision and Contract Administration Service Contract, • ETB 571,711,451.25 (USD 19,088,863.15) including 15% VAT for Works Contract. • Other costs - DNA
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	**Works Contract:** ETB 414,532,533.58 (USD 13,840,819.15) excluding 15% VAT ETB 476,712,413.62 (USD 15,916,942.02) including 15% VAT. **Design Service:** ETB 3,583,170.00 (USD 119,638.40) including 15% VAT. **Construction Supervision & Contract Administration Contract:** ETB 5,836,281.71 (USD 194,867.50) including 15% VAT – until May, 2017 (no. 36).
	changes of project cost with reason	**Works Contract:** Total = ETB 31,766,448.06 (USD 1,060,649.35) excluding 15% VAT ETB = 17,319,829.31 (USD 578,291.46) excluding 15% VAT Material type adjustment – 30cm granular fill layer in place of 20cm clay seal and 10cm borrow fill; ETB = 7,020,756.84 (USD 234,415.92) excluding 15% VAT New additional work on Access Road – Access Road extension (4 lane), 50cm subgrade treatment, shoulder width adjustment; ETB = 1,134,051.60 (USD 37,864.83) excluding 15% VAT Utility/Service Duct and associated works;

		ETB = 261,107.42 (USD 8,718.11) excluding 15% VAT Diversion Road Extension; ETB = 1,602,829.83 (USD 53,516.86) excluding 15% VAT Back slopping trimming; ETB = 3,880,702.50 (USD 129,572.70) excluding 15% VAT Temporary Passengers' Terminal Building Construction; ETB = 547,170.56 (USD 18,269.47) excluding 15% VAT Fire Fighting Station Building Construction. **Design Service:** ETB 122,245.00 (USD 4,081.64) including 15% VAT – Supplementary Agreement for Access Road Design; Subsurface Investigation - ETB 260,000.00 (USD 8,681.14) excluding 15% VAT; Administration Overhead & Profit ETB 221,000.00 (USD 7,378.96) excluding 15% VAT.
	Project completion date (Revised, projected, actual)	Actual Completion Date = April 21, 2017 (Provisional Acceptance date of Works Contract)
	Actual duration for completing the whole project	Due to lack of information it was not possible to disclose the official start date of the project however, the Works Contract was provisionally accepted on April 21, 2017.
	Changes of project duration with reason	**Works Contract:** Total EOT = 279 Calendar days. EOT Claim no. 03 – 104 Calendar days; Due to variation order for a change from 20cm clay seal fill to 30cm granular fill. EOT Claim no. 04 – 48 Calendar days, Instruction for Additional Works/Variation Order EOT Claim no. 05 – 38 Calendar days, EOT Claim no. 06 – 13 Calendar days, Instruction for Additional Works/Variation Order EOT Claim no. 07 – 16 Calendar days, Delay in Provisional Acceptance, Right of way obstruction and delay in release of payment No.3. EOT Claim no. -- – 60 Calendar days, Additional works for Fire Fighting Station
	Project Scope at completion	Original scope plus Changes to contract scope listed hereunder.
	Changes of project scope with reason	**Works Contract:** Extension of Diversion Road, 50 cm Replacement of underlying poor, expansive soil, Widening of shoulder of Access Road from 0.5m to 1.5m and change of 20cm clay seal fill to 30cm granular fill. Temporary Passengers' Terminal and Fire Fighting Station Building Construction.

		Design Service: Access Road Design which was missed from original Contract; Subsurface Investigation.
	Reference to documents for disclosure upon request (reactive disclosure)	Design Service: • Tender Evaluation Report, • Approved Payment Certificates – Interim and Final, • Supplementary Agreement No.1 Document, • Advance Payment Guarantee, • Professional Indemnity, • Letter of Conformation provided by the PE to BEZA Consulting Engineers PLC (ref. no. RAG-12/07/07 dated 05/01/2015). Construction Supervision & Contract Administration Service: • Tender Evaluation Report, • Professional Indemnity, • Approved Payment Certificates – until May, 2017 (IPC 36), • Letter of Acceptance. Works Contract: • Tender Evaluation Report, • Performance Bond, • Advance Payment Guarantees, • Approved Payment Certificate – PC no. 12 and final, • Approved EOT – EOT no. 2 to EOT no.7, • Approved EOT for Additional Work of Fire Fighting Station, • Signed and sealed Revised Cost Estimate document submitted by Consultant to PE by letter ref. no. TDSWS/MG. A4/3406 dated 24 MAY 2017, • Signed and sealed Provisional Acceptance Document.
TOTAL NUMBER OF DISCLOSURE ITEMS = 70		

Note:

Currency Exchange Rate:

****1 United States Dollar equals 29.95 Ethiopian Birr (National Bank of Ethiopia - October 17, 2019)*.**

Construction of Apartemnt Buildings for Federal Supreme Court Judges – 2B+G+18 (LOT 1 and 2)

NOVEMBER, 2019

ASSURANCE PROFESSIONAL: MESFIN SHIFERAW

Addis Ababa, Ethiopia

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
USD	-	United States Dollar
VAT	-	Value Added Tax

1. Executive summary

Infrastructure Transparency Initiative (CoST) is a multi-stake holder initiative, which aims at enhancing transparency and accountability of public funded infrastructure projects. Core to this aim is disclosing information of projects at their different stages to the public domain. The CoST disclosure process requires PEs 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 select a project to be assessed in detail, verifying the accuracy and completeness of the informationdisclosed by the procuring entity, analyzing the information obtained and highlighting findings and causes of concerns in plain language in order to enable stakeholders make informed judgment on the execution of the procurement process.

CoST -Ethiopia, is led by National Multi-Stakeholder Group Executive Committee (NMSG – EC), which comprises representatives of the government, the private sector and civil society.

Projects are selected from the Transport, Water and Builfing sectors. One of the projects selected from the Building sector is the **Federal Supreme Court Judges (2B+G+18) Apartment Building**. The Federal Government Buildings Construction Project Office is administering the above mentioned project in Addis Ababa, Ethiopia, at Bole Sub-city, Woreda 05 around Megenagna area. This report covers the disclosure and assurance of the aforementioned peoject. The assurance professional (AP) assumes the responsibility of the assurance work.

The documents for the procurement of the design, supervision, and contract administration service contract of the project are not adequately available for review but the service was rendered by Afri Consult Consulting Architects and Engineers P.L.C. Both services i.e. the design supervision and contract administration service were signed in one contract agreement.

The procurement of the works contract was conducted through an open international competitive bidding process. Tekleberhan Ambaye Construction PLC signed the agreement for the works contract with an amount of ETB 918,278,530.00 (31,680,609.29 USD) including 15% VAT and for contract duration of one year and seven months (575 Calendar Days).

The only contract disclosed is the works contract. This is because the PE does not adequately present the documents for the design, supervision, and contract administration contracts.

The disclosed information of the project represents the status of the project up to January 30 /2019. The exchange rate of Birr to USD is valued (1Birr = 0.0345 USD) on the month that this report was compiled i.e. March 2019.

Summary of findings and causes of concerns

General

The PE, in spite of Article 23 the Public Procurement and Property Administration Proclamation, is not maintaining records of the procurement process.

Design service, supervision, and contract administration

The average rate of disclosure is computed to be 48.7 percent. As the documents for design, supervision, and contract administration, are not adequately available; it is very hard to give any comment.

Works contract

Procurement information

- There is no document available to see if the bid announcement was posted on the FPPA's website or other websites.

- It is not possible to check if the PE used bid opening and other relevant manuals during the bid process.

- The bid opening has been delayed by 20 days but there is no document that shows the reason for the delay.

- An event when a bidder, with a written letter, has asked the PE to use the bidder's submitted original technical document instead of the copies for technical evaluation as "the copy is not properly stacked". This event may put the confidentiality of the evaluation process in question as it may show that a bidder had information about the evaluation process

- There is no document presented which shows if all bidders were made aware of the technical evaluation result in writing and if the letter included information which shows that bidders have the right to present their complaint to the head of the Public Body with in five working days.

- There are no documents which show if the five days gap between the result announcement and the opening of the financial documents and then the signing of the contract were respected.

- The duration from the **opening day, to the award of the work contract took very long time**. (218 days from the specified bid opening day). There is no document presented, justifying the reason why it took such a long time.

- There is no document presented by the PE that indicates if the award information had been posted on the PPA's web site.

- There is no document presented that shows if there was an Engineer's estimate to compare the award price with.

- According to Clause 16.18.3 (g) of the Procurement Directive of December 2011, a rebate should be read out and should be indicated on the evaluation result along the winner price. However, on this particular procurement during the financial evaluation report there was no indication that the bidder who won the bid has included a rebate in the offer he submitted, but thereafter the bill of quantities of the contract document indicates there is a 1.5% rebate in the contract. It is not clear why this happened.

Contract information

- The reason to omit the bridges that were supposed to connect each pair of blocks is not clear. Variation and omission of work items with respect to bridges needs further clarification.

- The reason and concern that led to omit the bridgework item, that was supposed to connect each pair of blocks to each other on the 18th floor level, from the contract may have been, presented and may have been solved during the design stage. Raising such concern and omitting such work item that may have been, easily foreseen during the design stage rather than the construction stage is not clear.

- The reason to omit the whole 18th floor of all blocks is not clear or there is no document presented that show the reason for omission. Furthermore, no document has been presented for variation and omission of work items with respect to this omission.

- Lack of complete and elaborated site investigation has caused a variation work to include rock excavation.

- Neither the PE nor the consultant indicates the value of those approved total sums of the different variation orders on their covering letters. Moreover, the attached documents with the PE's approval letter are not properly signed and sealed. This may create ambiguity and opportunity to manhandle the documents easily.

- Furthermore, the reason not to include value of omitted work items in the variation order for J bolts and plates (No 3) and other variation orders is not clear.

- All the time extension request reviews may have not taken all the other work items included in the contract, which were being executed concurrently. Furthermore, they are calculated as if each work item had not been included in the existing schedule.

- The other item, which should have been considered during all the analysis of the time extension approvals, is the contractor's performance of the works that it had planned to execute during the concerned periods. If the contractor did not meet the planned schedule on those particular times, then this should have been taken into consideration when evaluating the time extension approvals. There is no document which shows if this condition was checked during the evaluation for time extension approvals.

- One can realize from examinations of all approved time extension requests that the review and approval process for the different time extension requests i.e. from request No 1 to 5, which approved a total of 545 calendar days or 94.78% of the contract time, may have been flawed and not clear and need further detail clarification.

- Administering the construction contract lacked:

    - 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. The absence of such complete updated program will deter the PE from knowing when to expect the completion of the project, 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.

- Reports showing the exact cause of delay, if the contractor is delaying the project or not, what steps that the PE should follow when delay occur.
- Properly reviewed approval of 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.
- Design requests and other matters approved as quickly as possible or as fast as the contract implies which is one of the major problems, that caused unnecessary time extensions.

A key recommendation made to the Procuring Entity is to increase the level of proactive disclosure, so that information regarding preparation, tender and contract execution (including reasons for variations) are available for public consultation. Also, record keeping, both in print or electronic format, is esssential 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.

Procuring entities should focus on

Note: An exchange rate of USD to Birr (1 USD = 28.9 Birr) is made using the rate at the time of the report writing

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 concern. The disclosed information of the project represents the status of the project up to January 30/2019.

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 PE had not adequately presented the design, supervision, and the contract administration contracts documents, the report had to focus on the works contract only. The works contract also misses some important information.

Under procurement, information that will help stakeholders and the public in general have an over view of the process is presented. The report analyzes the compliance and efficiency of the procurement stage of the project. Under the contract implementation, the report analyzes information 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 get ideas and understand the issues and their consequences.

Finally, recommendations are presented based on the main findings, causes of concerns and issues observed during the analysis, which will help the PE and regulatory institutions to take measures that can improve the execution of projects effectively.

The main objective of this assurance process is to collect information in order to insure the publication of the Infrastructure Data Standard as outlined in the disclosure standard of CoST-Ethiopia. It also verifies the accuracy and competence of the information collected, analyze the information obtained so it will be in a form that can easily be understood by public.

In this assurance process the first activity that the Assurance Professional (AP) did was issuing the letter from CoST - Ethiopia to the PE and contacting the assigned staffs of the PE 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, highlighting the main findings and causes of concern which the analyzed pieces of information reveal.

The AP has also included in this report his professional impressions about different points by comparing events and decisions with the procurement lows of the country, the 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.The following documents could not be availed by the PE.

- Environmental Impact Assessment report
- Land and settlement impact assessment report
- Full documents for procurement of design and supervision services
    - announcement,
    - document or print out, showing if the bid announcement was released on the PPPA web site.
    - bid document, (Tender documents and evaluation criteria)

- list of bidders who bought the document,
- list of bidders who returned the document,
- bid opening,
- bid evaluation and minutes (tender evaluation, recommendation and other relevant documents)
- content of any bidder's complaint
- letter for result announcement for bidders,
- letter of award

- Design reports and their actual 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 for all the three procurement processes.
- Document or print out showing if the bid announcements were released on the FPPA web site.
- Names and number of bidders who purchased the design and contract administration bid documents.
- Bid opening and bid evaluation documents for all the three procurement processes.
- Engineering Cost Estimate (not indicated on bid opening and bid evaluation documents).
- Content of any complaint lodged on bid the evaluation results for all the three procurement processes.
- Construction programs (Schedule).The base line and any other revised ones up to the end of January 30 /2019
- Payment documents
- Accidents record (accident and death)

3. DISCLOSURE OF PROJECT INFORMATION

Project overview

Government Office Buildings Construction and Management Bureau conducted a procurement and contract implementation process to construct 2B+G+18 Apartment building for Federal Supreme Court judges (Lot 1&2) with a budget allocated from the Government of the Federal Democratic Republic of Ethiopia (FDRE).

2B+G+18 Apartment Building for Federal Supreme Court Judges is a project composed of four 2B+G+18 blocks divided under two Lots (Lot 1&2). It is located in Addis Ababa, Ethiopia, Bole Sub-city, Woreda 05 around Megenegna area.

There is no document available that shows if environmental, land and settlement impact assessment had been conducted for this project.

The project is designed by Afri Consult Consulting Architects and Engineers P.L.C, according to the agreement made with the PE which was signed on the 9th day of May presumably in 2014 (the agreement does not indicate the year). The scope of the service includes preparing detail architectural and all engineering designs necessary to construct 2B+G+12, apartment building for Federal Supreme Court judges. The architectural design was partially completed. The PE, as some documents show, conducted an open bid procurement process to select the consultant, nevertheless as there are no enough documents presented by the PE, further review is not carried out. The agreement includes services for detail architectural and engineering design, and soil investigation (preparation of structural, sanitary, electrical, and mechanical design, preparation of site plan and specification and bill of quantities). For design, the contract cost is Birr 427,800.00 (14,759.10 USD) and for soil investigation, the contract cost is Birr 345,000.00 (11,902.50 USD) including 15 % VAT. The duration to complete the design service, according to the TOR is 60 days (two months) including mobilization. There is no document presented that show the total amount that have been paid for design service.

The above agreement for design service also included the supervision and contract administration service contract of the project. For supervision and contract administration, the contract cost was Birr 23,000.00 (793.50 USD) per month. The total contract amount for this service might be 552,000.00 (19,044.00 USD) including 15% VAT. From the month of September 2015 up to Nov 09/2018, the total payment made for supervision and contract administration is ETB 851,000.00 (29,359.50 USD) including 15% VAT. This shows that there is a 54.17% cost overrun until Nov 09/2018.

The Scope of the design, supervision and contract administration service was presumed to be to: design a 2B+G+12 Apartment Building for Federal High Court Judges; supervise and administer the construction contract of same. The scope was later changed to 2B+G+18.

The PE conducted an open bid procurement process to select Tekleberhan Ambaye Construction PLC for the construction contract. The construction contract cost is Birr **918,278,530.00** (**31,680,609.29** USD) including 15% VAT. The contractor took possession of the site on Hidar 21, 2008 E.C (December 01, 2015 G.C) to complete the whole work, according to the contract agreement, in 575 Calendar days. The project commenced on 05/04/2008 E.C. (15/12/2015 G.C) and the project contract completion date was on 27/11/2009 E.C (August 03, 2017 G.C.). The total payment so far made, according to the payment certificate No 15, for the executed works, including advance payment, is ETB 589,216,138.79 (20,327,956.79 USD) including 15% VAT. Compared to the contract amount the payment so far effected to the contractor including advance payment is around 60.2% of the project cost.

The project completion date, due to various time extension approvals by the PE, was extended to January 30/2019. But, according to the consultant report for January 30 /2019, the project was only 67.5 % (74.25 % including variations) complete by the end of Tehasas 22/2011 E.C. (Jan 30 /2019).

Three contracts had to be executed to bring this project into reality. These are:

1. The Design service contract that is, a contract for design and bid document preparation;
2. The supervision and contract administration service contract which is a contract for the supervision and contract administration of the works (construction) contract; and
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 FDRE. The total project cost is very hard to calculate as the cost for supervision, and contract administration is on time basis and there is no document presented that show the summarized cost for it. According to the design contract, agreement, the cost of service is Birr 427,800.00 (14,759.10 USD) and for soil investigation, the contract cost is Birr 345,000.00 (11,902.50 USD) including 15% VAT. Service contract for the supervision and contract administration indicates that the value for the service is Birr 23,000.00 (795.84 USD) including 15% VAT per month. According to the construction contract agreement, the project cost for the construction service is Birr 918,278,530.00 (31,680,609.29 USD) including 15% VAT. Overview of the project is summarized in Table 1.

Similarly, the total duration of the project, cannot be known because the supervision and contract administration service contract durations are not separately indicated. According to the design contract, the project duration for the service is 60 days. According to the construction contract, the project duration for the construction service is 575 Calendar days.

Table 1: Overview project identification

Variable	Description
Project location	The project location is in Addis Ababa, Ethiopia, Bole Sub-city, Woreda 05 around Megenegna area.
Project scope	Construction of Federal Supreme Court Judges 2B+G+18 Apartment 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 and soil investigation– Birr 772,800.00 (26,661.60 USD) including 15% VAT Service contract for the supervision and contract administration: -Birr 23,000 (793.50 USD) per month including 15% VAT Work contract - Birr 918,278,530.00 including VAT. (31,680,609.29 USD) including 15% VAT
Original project duration	The length of duration of the design Service contract is 60 days. There is no document presented which shows the length of duration of the supervision and contract administration Service contract but one may assume that the duration is equal to the work duration. The contract duration according to the work contract is 575 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 among the soil investigation and supervision work was executed by Afri consult consulting Architects & Engineering PLC.

The agreement to design the apartment buildings, among soil investigation and supervision work, was signed on May 9. As the contract document does not show the year of the contract signing, taking other documents into consideration it is presumed that it is in the year 2014.

For the service contract, the entire documents for the procurement process are not available. The Terms of Reference, the design agreement document (along with the award letter) and payment certificate for the advance payment are the only documents that are availed by the PE.

From the award letter one can deduce that the contract is awarded to the consultant through an open bid procurement process, but as it is explained above, the documents for the detail procurement process are not availed.

4.2. DISCLOSURE OF CONTRACT INFORMATION

4.2.1. OVERVIEW OF THE CONTRACT

The contract for the design work including the soil investigation and supervision work were executed by Afri Consult Consulting Architects & Engineering PLC.

The agreement to design the Apartment Buildings, including soil investigation and supervision work, was signed on May 9. As the contract document does not show the year of the contract signing, it is presumed it is in the year 2014, taking other documents in to consideration. The duration of the contract for design was 60 days (two months). Conditions of payment, the actual total duration taken for the (preliminary and final) design documents, report for preliminary and final designs and so on are not presented for reference.

As mentioned previously, the fee for the design service including the soil investigation and supervision service. Considering the soil investigation as part of the design work, the design fee is (ETB 427,800.00 - Design - plus ETB 345,000.00 - soil investigation), in total ETB 772,800.00 (26,661.60 USD) including 15% VAT.

The scope of the contract, according to the TOR for preparation of detail architectural and engineering design included all engineering design necessary to construct 2B+G+12 apartment building to which architectural design is partially completed. The TOR of the agreement document shows the duration of the design contract to be 60 days (two months). One can deduct from the final design document available, that the scope of the contract has been changed to design of a 2B+G+18 apartment building.

4.2.2. VERIFICATION OF THE DISCLOSED CONTRACT INFORMATION

4.2.2.1. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION

The accuracy of the disclosed information is dependent on the availability of original documents. 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 the PE in writings that indicate the required documents. Even though, in the document request leter written by the national secretariat of the Initiative, it was clearly stated that the verification and analysis process would continue on the available documents, the PE could not avail the missing documents. Thus this condition, where the whole documents might not be present, would cast doubt on the accuracy of the disclosed contract information.

4.2.3. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

4.2.3.1. ISSUES RELATED TO THE CONTRACT SCOPE

The scope of the contract, according to the TOR for preparation of detail architectural and engineering design included all engineering design necessary to construct 2B+G+12 apartment building to which architectural design is partially completed. One can deduce from the available works contract document that the scope of the contract have been changed to design of a 2B+G+18 apartment building. There is no document that shows the reason for the change.

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

AFRI CONSULT CONSULTING ARCHITECTS & ENGINEERING PLC is executing the supervision and contract administration service contract.

The agreement for supervision and contract administration service, including the design of the Apartment Buildings and soil investigation, was signed on May 9. As the contract document does not show the year of the contract signing, taking other documents in to consideration it is presumed that it is in the year 2014.

For this service contract, the Terms of Reference, the award letter, along with the design, supervision and contract administration agreement, and supervision and contract administration fee payment No 9 are the documents that are presented by the PE. The entire Documents for the procurement process, the total payment effected up to January 2019, the construction progress reports at different stages, and so on are not presented for reference.

The only information that we can get from the available document from the PE, which declares the result for procurement of consulting service, is that the contract is awarded to the consultant through a procurement process of open bidding, but the documents for the detail procurement process are not presented.

5.1.2. VERIFICATION OF THE DISCLOSED PROCUREMENTINFORMATION

5.2. DISCLOSURE OF CONTRACT INFORMATION

5.2.1. OVERVIEW OF THE CONTRACT

AFRI CONSULT CONSULTING ARCHITECTS & ENGINEERING PLC executed the contract for the construction supervision & contract administration service.

The agreement for the construction supervision & contract administration service, among the design service of the Apartment Buildings and soil investigation work, was signed on May 9. As stated earlier the contract document does not show the year of the contract signing, it is presumed it is in the year 2014, taking other documents in to consideration. The duration of the contract for the service as might be obvious may have been the length of the construction period. However payment certificate number 09 for the service indicates that the total contract amount is Birr 552,000.00 (19,044.00 USD) including 15% V.A.T thus as the monthly fee for the service is 23,000.00 Birr (793.50 USD) per month including 15% V.A.T the duration of the service contract might be 24 months.

Moreover According to this payment certificate document with covering letter dated on 12/03/2011 E.C. & Ref. No…./111/759, for **supervision and contract administration** service rendered from the month of September 29/2015 to November 09/2018 a total of Birr 851,000.00 (29,359.50 USD) has been paid for the consultant. Thus, one can see that there might be a 54.17 % increase of cost from the “contract amount” until the period specified on the payment certificate (November 09/2018) not up to January 30/2019, which this report is covering.

The total number of months that the payment has been effected may have reached to 37 months, according to the same payment certificate document. Thus, there might be a 54.17% increase of duration from the contract duration until the time specified on the payment (November 09/2018).

However, there are no documents presented which shows other information such as, if there were changes of scope and conditions of the agreement.

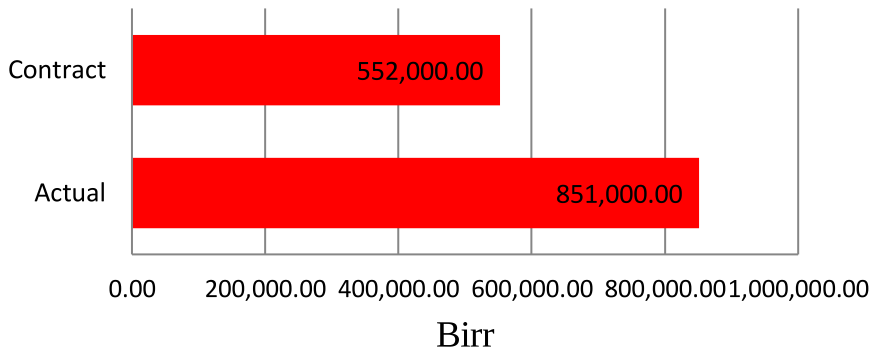
5.2.2. ANALYSIS OF THE DISCLOSED CONTRACT INFORMATION

5.2.2.1. ISSUES RELATED TO THE CONTRACT PRICE

As there are no documents presented by the PE which show all the payment issued up to the report period, it is not clear if there had been a change of price compared to the contract price, one cannot give analysis about issues related to the total cost.

However, as payment certificate No 9 indicates, it is clear that we have information about payments made from September 29/2015 to November 09/2018. Thus, we can see that there might be a change to the contract cost. According to this payment certificate, the contract amount including 15% V.A.T is Birr 552,000.00. (19,044.00 USD) Moreover, the total payment effected for the service rendered during the above-mentioned duration including 15% VAT is Birr 851,000.00 (29,359.50 USD). Thus it is estimated that there might be a 54.17 % increase of the “contract amount” until the period specified on the payment certificate (November 09/2018) not up to January 30/2019 which this report is covering. The cost increase is compared in Figure 1.

Figure 1: Cost increase for supervision and contract administration service



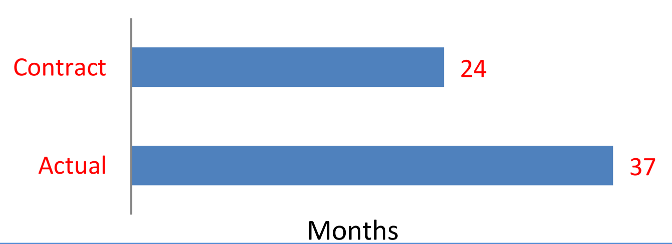
5.2.2.2. ISSUES RELATED TO THE CONTRACT DURATION

As there are, no documents presented by the PE that show all the payment issued up to the report period, if there had been a change of duration compared to the contract duration one cannot give analysis about issues related to the duration.

However, payment certificate number 09 for the service indicates that the total contract amount is Birr 552,000.00 (19,044.00 USD) including 15% V.A.T thus as the monthly fee for the service is 23,000.00 (793.50 USD) the duration of the service contract might be 24 months.

According to the same payment certificate document, the number of total months that is included in payment No 09 may have reached to 37 months. Thus, one may see that there might be a 54.17% increase of duration from the contract duration until the time specified on the payment (November 09/2018). The time increase is compared in Figure 2.

Figure 2: Duration change for supervision and contract administration



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 2B+G+18 Federal Supreme Court Judges Apartment Building project divided into two (LOT 1 and 2) were conducted according to the International competitive bidding, open national tendering procedure contained in the **Standard Bidding Document (**ICB SDB-works) (version 1, August 2011) of the public procurement procedure of the federal Government of Ethiopia.

The announcement to invite GC 1 or BC 1 bidders for the construction of 2B+G+18 Federal Supreme Court Judges Apartment Building project (LOT 1 and 2) buildings was advertised (issued) on Addis Zemen Newspaper on Friday Tahasas 17/2007E.C (26/12/2014 G.C). The announcement which is in English stated that the opening day will be on the 56th day of the announcement on the newspaper. The bid data sheet that the PE presented as the bid document (there is no confirmation if it is the original document) indicates Yekatit 12, 2007 E.C. (19/02/15 G.C.) as the bid submission deadline and as a bid-opening day. The bid document also states that the evaluation process included technical (70%) and financial evaluation (30%) stages, and a bidder who scores the highest grade of the sum of the technical and financial evaluation shall be nominated as a winner of the Bid.

According to the document of the minute of the Preliminary Examination of bids, the Bid was opened on Megabit 2/ 2007 E.C (March 11/2015 G.C.), 20 days after the "opening day" that was specified on the newspaper and on the bid data sheet document. As there is no document presented which indicate the reason for the change it is not clear why the bid was opened after 20 days.

According to the available document for the list of bidders who bought the bid document for the two lots, the total number of bidders who bought the documents were 21, but there is no clear indication which Lot (Lot 1 or 2) each of the bidders bought the bid for. According to the document of the minute of the Preliminary Examination of the Bids, during the opening process documents of seven bidders had been opened and checked for responsiveness. It is not clear if bidders were rejected during the bid opening process or not. However, the document of the minute of the Preliminary Examination of bids states that out of the seven bidders who returned the document for the two LOTs only four bidders had passed for the next evaluation stage. There is no document presented showing the attendants who chose to attend the opening ceremony. The list of the bidders who returned the bid document as indicated in the minute is shown in Table 2.

Table 2: Least of the bidders who returned the bid documents (According to the minute of the Preliminary Examination)

No	Bidders' name	Remark
1	Tekleberhan Ambaye Construction PLC	Selected /for Lot 1 and 2/
2	China Gianxe	Not selected / Lot not known /
3	A.M.B. construction Building Contractor	Selected / for Lot 2/
4	Afro-Tsion Construction PLC	Not selected / Lot not known /
5	CGCOC GROUP General Contractor	Selected /for Lot 1 and 2/
6	Zamra Construction General Contractor	Not selected / Lot not known /
7	Rama Construction General Contractor	Selected / for Lot 1/

Even though, the PE has presented the documents for section 2 and Section 3 of the tender document (i.e. Data Sheet, and Evaluation Methodology and Criteria) one cannot be sure if it is the exact copy of the original bid document used in the bid as there are no indications of such sort on the documents. Furthermore, there is no document of the technical evaluation document except the minute of the evaluation committee, which shows only the total sum result of the bidders. With the absence of the documents for technical evaluation documents, it is not possible to assess the evaluation process.

According to the technical evaluation committee minute, the technical evaluation was conducted and completed from 23/07/2007 to 20/08/2007 E.C. two bidders for Lot 1, Tekleberhan Ambaye Construction PLC and Rama Construction General Contractor, and two bidders for Lot 2, Tekleberhan Ambaye Construction PLC and A.M.B. Construction Building Contractor got points above 70 and passed to the financial evaluation stage. The document for technical evaluation i.e. points given to bidders on each criteria, on Examination and Evaluation of Bids has not been presented by the PE, if there is any. The technical evaluation results are depicted in Tables 3 and 4.

The procurement indorsing committee indorsed the technical evaluation result on 04/09/2007 and the general manger approved the recommendation on 06/09/07 and ordered the committee to write letters of notification to announce the result on their addresses. However, the PE does not present the documents of the notification letters if there were any.

Table 3: LOT I: Technical Evaluation results
(According to the technical evaluation committee minute)

No	Bidders' name	Point scored (%)
1	Tekleberhan Ambaye Construction PLC	98.50
2	Rama Construction PLC	71.65
3	CGC Overseas Construction	46.00

Table 4: LOT II: Technical Evaluation results
(According to the technical evaluation committee minute)

No	Bidders' name	Point scored in %
1	Tekleberhan Ambaye Construction PLC	96.50
2	A.M.B. Construction PLC	73.86
3	CGC Overseas Construction	46.00

The procurement and property administration committee opening minute shows that the financial bid documents were opened on 21/09/2007 E.C. at 4:30. According to the minute, the financial documents of those bidders who passed the technical evaluation were opened on the presence of representatives from public relation of the PE and other interested observers attending the bid opening ceremony and all bidders' representatives and member of the Bid Opening committee but there is no attached document showing the attendance. The document shows that the committee had compared the original documents with their copies and found out some items on different pages of one bidder's document were corrected by correction fluid and enumerated the findings on a table. It is not clearly stated on the minute if the corrections were found on the original, on the copy or on both of the documents furthermore it is not stated what prompted the committee to compare the original with the copy.

The evaluation committee completed the financial evaluation and the total (technical and financial) evaluation on 10/10/2007 E.C by recommending the contract to the highest scoring bidder. The procurement endorsing committee had accepted the recommendation on 04/05/2008 EC. The financial offers are presented in Table 5 The combined (Financial and Technical) evaluation results are presented in Table 6.

Table 5: Financial offers of the candidates					
No	**Bidders' name**	**Stated Bid Price (Birr)**	**Arithmetically Corrected Bid Price**	**Rebate**	**Total amount after rebate Birr (USD)**
		LOT 1			
1	Tekleberhan Ambaye Construction PLC	453,626,563.30	453,581,637.34	-	453,581,637.34 (15,648,566.49)
2	Rama Construction PLC	319,883,069.40	321,041,256.33	4%	308,199,606.08 (10,632,886.41)
		LOT 2			
1	Tekleberhan Ambaye Construction PLC	478,978.229.35	478,680,813.67	-	478,680,813.67 (16,514,488.07)
2	A.M.B. Construction PLC	397,663,634.00	397,638,278.80	-	397,638,278.80 (13,718,520.62)

Table6: Combined evaluation result (obtainbed from the procurement endorsing committee minute)							
No	**Bidders' name**	**Technical Point scored**		**Financial Point scored**		**Total Point scored in %**	**Rank**
		100%	**70%**	**100%**	**30%**		
			LOT I				
1	Tekleberhan Ambaye Construction PLC	98.50	68.95	68	20.4	89.35	1
2	Rama Construction PLC	71.60	50.16	100	30	80.16	2
			LOT II				
1	Tekleberhan Ambaye Construction PLC	96.5	67.55	83.07	24.92	92.47	1
2	A.M.B. Construction PLC	73.86	51.70	100	30	81.70	2

Letters of notification to announce the results were written (even though they are not prepared according to the procurement directive) on their address to the three participants (copy of the documents are presented by the PE). There is no document presented, which shows if the PE had received any complaint from the bid participants or if the required days for any complaint were respected and if and when the letter of acceptance was issued for the bidder who won the bid. The contract for the construction work was signed on 29th of September 2015 (18/01/08 E.C) with the winner Tekleberhan Ambaye Construction PLC for both Lot1 and 2.

The process of procurement, from bid opening up to the award took 218 days i.e.

- The bid-opening day that, was supposed to be on 12/06/2007 E.C. (19/02/2015 G.C), was changed for unknown reasons to 02/07/2007 E.C. (11/03/2015 G.C.) which increased the process duration by 20 days.
- The technical evaluation took 47 days (from 02/07/2007 up to 20/08/2007 E.C) starting from the actual bid opening day
- The financial and final evaluation took 60 days (from21/08/2007 to 22/10/2007 E.C) and
- Finally, awarding the project to the winner and signing the contract took 91 days (from 23/10/2007 ;

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 availed by the PE. Even though important documents of the process such as bid invitation announcement, the number of bidders who purchased the bid document, bidders who submitted their bid are made available as mentioned previously. The following could not be availed by the PE.

- the original documents for the bid data sheet and the technical evaluation criteria
- the document which shows the actual closing date and time of the Bid;
- the document showing the attendants who chose to attend the opening ceremony;
- the document of the technical evaluation criteria and the evaluation i.e. points given to bidders on each criteria;
- the documents of letters of notification for unsuccessful and successful bidders (technical);
- the document showing the attendance when financial bid documents were opened;
- the document, which indicate the reason for the change of the opening day;
- The document that shows the reason why the evaluation and award process of the bid took such a long time;
- the document for Engineering (Engineers') Cost Estimate; and
- documents of any complaint lodged on bid evaluation results if there are any.

Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the average rate of disclosure (or data availability) for procurement of works is found to be 86.2 percent.

6.1.2.2. ACCURACY OF THE DISCLOSED PROCUREMENT INFORMATION

The accuracy of the disclosed information is dependent on the availability of the whole original documents so that one can compare or check the accuracy of any information. In the absence of some 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 the PE by indicating 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 procurement documents that were mentioned previously. Thus this condition, where the whole documents might not be presented, would cast doubt on the accuracy of the disclosed procurement information.

6.1.3. ANALYSIS OF THE DISCLOSED PROCUREMENT INFORMATION

6.1.3.1. COMPLIANCE OF THE PROCUREMENT PROCESS WITH RULES OF ADVERTISEMENT

As it was stated earlier the announcement to invite bidders for the construction of 2B+G+18 Federal Supreme Court Judges Apartment Building project (LOT 1 and 2) which, was in English, was advertised (issued) on

ADDIS ZEMEN news paper on 17/04/2007(E.C.). With the opening day mentioned to be 56 days from the announcement, or according to the Bid data sheet on 12/06/2007 E.C (19/02/2015) 8:00 pm (2: 00 pm).

General

The major point that the AP realized during checking the bid document is that the PE used the International open bid process and used 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 FPPA.**

Pursuant to the then procurement directive June 2011 article 17.2 and the Revised Procurement directive the PE used the international competitive bidding process as the project cost is above the required threshold.
The Revised Procurement directive June 2011 article 17.2 states that

"procurement may be made by means of international competitive bidding if the value of the contract exceeds the threshold indicated below in respect of each type of procurement: **-** For works above birr 150,000,000.00 (5,175,000.00 USD) "

- The Bid notice

  - The procurement manual states that, for International Competitive Bidding, the procedure to be followed by public bodies shall be similar to Open Bidding Method as described in the Proclamation and Directive, together with the specific additional requirements specified as follows:

    - Complaint to the procurement manual article 4.1.7.1 the PE prepared the bid advertisement and the bidding documents in English.

    - Article 4.1.7.2 of the manual sates that "The bid advertisement shall be published in a newspaper that has wide circulation and accessible to **foreign bidders**".

In this case, the Bid announcement was advertised on Addis Zemen newspaper, as the newspaper is an Amharic newspaper it would have been better to use other newspapers like Ethiopian Herald as the newspapers are more accessible for foreign bidders than Addis Zemen as they are in English. It is not clear why the PE preferred to use the Amharic newspaper instead of the English one. Furthermore, the PE sent the announcement to Ethiopian Broadcasting Corporation to be broadcasted on Ethiopia television Amharic program. Even though the effort to attract more bidders is to be appreciated, it would have been good if it were broadcasted on the English program, as the Bid is an international competitive bid.

According to the procurement manual, it would have been better to advertise the bid by posting the announcement on FPPA's website, and to attract a large number of bidders, the website of the procuring public body and the embassies of various countries. The bid advertisement shall (should have been) be posted on the FPPA's website as the value of the procurement is above the threshold stated in article 6.5 of the **Directive (Birr 10,000,000.00 (**345,000.00 USD**).** Nevertheless, so far there is no document or print out presented that shows if the bid announcement was released on the FPPA website.

The information included in the bid advertisement notice were: method of procurement; date of opening; place of opening; address for source of information; how and where to get the document; how, when and where to return the documents; and the amount and type of bid security. The PE also mentioned that the bid is an open bid.

This is well in accordance with the FPPA directive (June /2010) article 16.2. Invitation to bid sub article 16.2.3.

Tender floating period

It is not clear if the tender invitation was on air from 17/04/2007 E.C up to the specified Bid closing date i.e. 12/06/2007 (56 days) or if it had been on air until to the actual opening day i.e. 02/07/2007 E.C (11/03/2015 G.C.) (75 days) as indicated on the document of the minute of the Preliminary Examination of bids that states the bid was opened on 02/07/2007 E.C.Public Procurement directive /June 2010 article 16.9 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 in the case of international competitive bidding, the submission of bid document to the designated place."

Procuring Entities are therefore required to comply with the minimum bidding periods given in the Directives. Thus, accordingly in this particular case the bid announcement on the newspaper stated that the Bid will be opened on the 56th day of the announcement, and the Bid document will be on sale for bidders after 10 consecutive days of the announcement. Therefore, one can conclude that this bid had stayed for a minimum of 45 days and this is compliant to the federal Public Procurement directive (June /2010) article 16.9.2 Setting of bid floating periods, which states:-

> "Without prejudice to article 16.9.1 …... 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 for ICB shall be 30 days for non-complex and 45 days for complex type procurement process of work."

Compliance of the bid announcement with rules of advertisement

Record keeping

According to the presented document for the list of bidders who bought the Bid document, the bidding document had been issued to 21 bidders, but only seven bidders returned the document. According to the user guide to bid preparation, "A record must be kept of the Bidders to whom bidding Documents have been issued and receipts must be issued for all fees paid."

These recorded documents would help the PE 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 might try to participate in the process without buying the bid document directly from the PE.

The Bid opening process

- As there is no document which shows the actual closing date and time of the Bid, nothing could be said as there is no information if the closing date and time were respected or not.

- The actual Bid opening date and time was not in accordance to the opening day specified on the newspaper or on the bid data sheet of the BDS. The Bid opening date, specified on the newspaper was the 56th day of the announcement. The date and time specified on the bid, data sheet was 12/06/2007 E.C (19/02/2015G.C) 8:00PM local time (2:00 PM). However, the actual bid-opening day was according to the document of the minute of the Preliminary Examination on 02/07/2007 E.C (11/03/2015 G.C.). It is not clear why the opening day of the bid was delayed up to 02/07/2007 E.C i.e. for 20 days.

Clause 28.1 of the instruction to bidders states that, the public body should open the bid at the same day and time specified in the bid document.

> "The Public Body shall conduct the Bid opening in the presence of Bidders` designated representatives who choose to attend and at the address, date and time specified in the BDS. The opening of the Bid shall not be affected by the absence of the Bidders on their own will."

and clause 16.18.1 of the directives states the same about Bid Opening date:-

> "Bids shall be opened in public at the time and place stated in the invitation to bid or in the document amending such invitation to bid."

Moreover, it is not clear also if the PE had or had not rejected any bidder on the day of opening.

The procurement directive June /2010 article 16.18.6 states that: -"No bidder shall be disqualified from a Bid at the time of bid opening proceeding."

But in this case as there is no document presented which indicates the opening process one cannot know if bidders were rejected or not on the bid opening process.

- There is **no document** presented which shows the **attendants who chose to watch the opening** ceremony and many other information about the opening day.

- To sum up, Article 28.4 of the Instruction to Bidders, states that the Public Body should record the minute of the bid opening. As the PE did not present document for Bid opening it is not clear if there was any record taken. Because of this, it is very hard to know what happened during the opening process. these are It is not clear if there were withdrawals, substitutions or modifications, if there were rejections or any other important point that happened in the opening process.

6.1.3.2. EFFICIENCY OF THE PROCUREMENT PROCESS (TIME LINES)

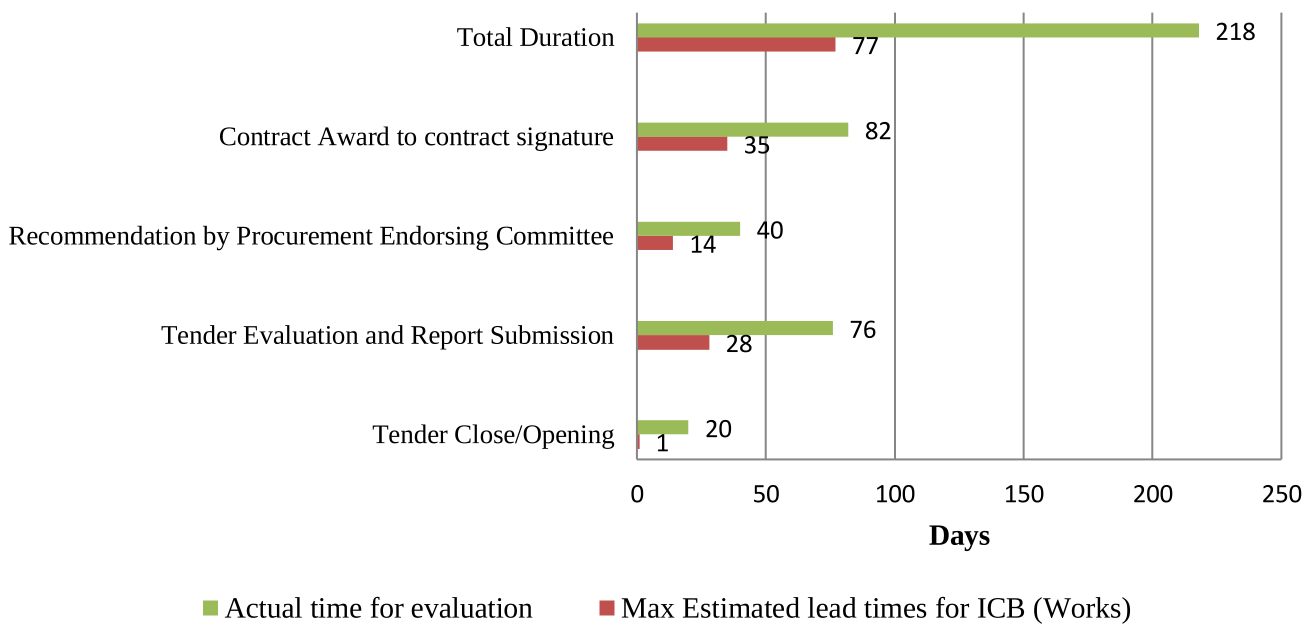
The procurement process, from bid opening up to the award of contract took 218 days i.e.

- The bid-opening day which was supposed to be on 12/06/2007 E.C. (19/02/2015 G.C), was for unknown reasons changed to 02/07/2007 E.C. (11/03/2015 G.C.) which increased the process duration by 20 days.
- The technical evaluation, starting from the actual bid-opening day, took 47 days (from 02/07/2007 up to 20/08/2007 E.C).

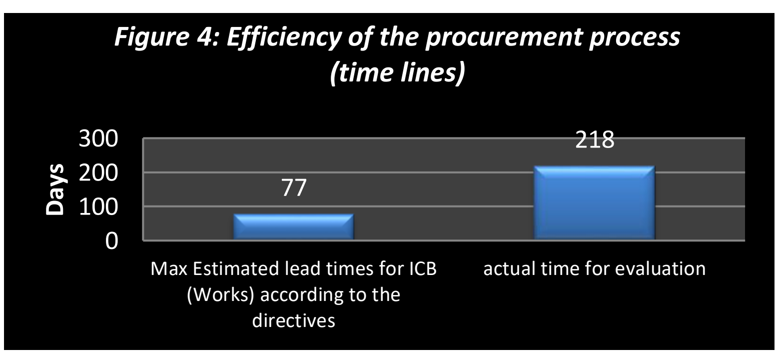
- The financial and final (technical and financial) evaluation took 60 days (from21/08/2007 to 22/10/2007 E.C) and
- Finally awarding the project to the winner up to signing the contract took 91 days (from 23/10/2007 to 18/01/2008 E.C).

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, the estimated lead-time for contract award is 1 to 2 weeks, and the estimated lead-time for contract signature is 2 to 3 weeks. If we take the sum of maximum estimated durations for the whole process, the total maximum estimated completion time scale will be around 11 weeks or 77 days. The compartison is shown in Figure 3.

Figure 3: Actual evaluation time compared to estimated lead time



From the above conditions, we can conclude that as the time from the specified **opening day to technical and financial evaluation process up to the award and signing of the work contract took very long time,** the procuring process was not efficient. The comparison is shown in Figure 4.



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."

However, there is no document presented that shows if the PE had requested bidders to extend the validity period (which was originally 120 calendar days) of their bid price nor if the bidders agreed to such requests. This is not with respect of the procurement directive of June 2010, which states that bidders should express in writing of their agreement and how long they are willing to extend the period of their bid security.

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 17/04/2007 E.C up to the specified Bid closing date i.e. 12/06/2007 for (56 days).

The bid announcement on the newspaper stated that the Bid will be opened on the 56th day of the announcement, and the Bid document will be on sale for bidders after 10 consecutive days of the announcement. Thus one can conclude that this bid had stayed for a minimum of 45 days and this is compliant to the federal Public Procurement directive (June /2010) article 16.9.2 setting of bid floating periods. Which states

> "Without prejudice to article 16.9.1 …... 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 for ICB shall be 30 days for non-complex and 45 days for complex type procurement process of work."

The other case is, as stated in the procurement directive, to participate in any public procurement being registered in the suppliers list is a prerequisite. According to the Preliminary evaluation report minute, the PE had checked that the bid participants were registered in the suppliers list.

However, other matters should also be taken into consideration, one of them is,

The document of record which shows the number of bidders who bought the document in the first place were 21 but the number of bidders who returned the document were only 7. This might show that the rules the evaluation criteria of this particular procurement might have been very hard to those participants who did not return the documents. The PE should have tried to investigate why so many participants did not return the documents 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.

6.1.3.4. TRANSPARENCY OF THE TENDER EVALUATION PROCESS

It is stated on the procuring manual of December / 2011 that "Good procurement establishes and then maintains rules and procedures that are accessible, unambiguous, and predictable. It should also be fair and seen to be fair."

One of the major documents of the procurement process is the preliminary and technical evaluation process documents. Nevertheless, because the evaluation documents of the evaluation committee is not available, and the document for the original evaluation criteria could not be confirmed for originality, one could not give a complete comment on the transparency of the evaluation process.

Concerning other matters, the AP has tried to evaluate items that are mentioned on the available documents. On one of the technical evaluation committee-meetings, as it is described on the minute, the committee had to discuss and reach to agreement on the request of a bidder participating on the Bid. The bidder, with a written letter, had asked the PE to use the bidder's submitted original technical document instead of the copies for evaluation, as "the copy is not properly stacked." This event may put the confidentiality of the evaluation process into question as it may show that a bidder had information that the evaluation committee was using the copy not the original of the technical documents submitted by the bidders. Instruction to Bidders article 29.1 states that:

> "Information relating to the examination, evaluation, clarification, and comparison of Bids, and recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with such process until information on Contract award is communicated to all Bidders."

Thus it is advisable to keep the evaluation process confidential and information should not be disclosed to any person or bidder not officially concerned with the process. It was understandable if, due to document not being properly staked, questions of clarity had arisen from the evaluation committee or individuals participating in the evaluation process. However, where no such requests had been asked it is not clear why a bidder could write to request on the use of documents submitted to the PE? The PE should have raised a question about the issue instead of delivering the request. Furthermore, in the procurement directive under **Duties and Responsibilities of a Procurement Unit** number 12 states that the Procurement Unit shall have the specific responsibility to

> "Make sure that copies of bid documents are delivered to members of bid evaluation committee and that the original bid documents are kept securely for reference."

Thus, the committee should have protected the original document for future reference.

The other matter is there is no document presented which shows if all bidders were made aware of the technical evaluation result in writing and if the letter included information that show that bidders have the **right to present their complaint to the head of the Public Body**. There are documents presented which show the letters that were written to bidders to indicate their combined (technical and financial) evaluation results. The letters indicate their score but it does not indicate that they have the right to present their complaint to the head of the Public Body if they have any complaint. There are no documents also showing if the 5 days of the opening of the financial documents and the signing of the contract were respected.

As the procurement directive 45.2/states: -

a) "The Public Body shall communicate the result of the technical evaluation in writing to all bidders at the same time."
b) "The Public Body shall indicate in the letter in which it discloses the result of the technical evaluation to each bidder that any bidder claiming that the technical evaluation has not been conducted in conformity with the proclamation, the procurement directive or the bidding document has **the right to**

present his complaint to the head of the Public Body with in 5working days of being notified of the result.

d) "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, the bid opening day had also been delayed for 20 days, this also is not clear and will create some doubts as the opening date and time was not respected.

The procurement directive article 16.18.1 states that "Bids shall be opened in public at the time and place stated in the invitation to bid or in the document amending such invitation to bid."

In addition, the duration from the opening day, to the technical and financial evaluation process up to the award of the work contract took very long time. (218 days from the specified bid opening day). There is no document presented, justifying the reason why it took such a long time to complete the procuring process.

The other case is, pursuant to the procurement manual, it is stated that the PE should post the information to PPA's web site so as to inform the general public that procurement process had reached to the contract award stage and that the contract has been signed with the winner.

> 2.2.5 Public bodies should disseminate to the general public information about contract awards by posting it on the PPA's website within 5 days of signing the contract after award.

Nevertheless, there is no document presented by the PE, which indicates if the award information had been posted on the PPA's web site.

Thus, in conclusion due to some of the events mentioned above and due to the absence of supporting documents, it would be very hard to conclude that the evaluation process was transparent.

6.1.3.5. OBJECTIVITY OF THE TENDER EVALUATION AND THE AWARD CRITERIA

As mentioned in the previous section one of the major documents of the procurement process which will help to examine the objectivity of the tender evaluation and award criteria are the original technical evaluation criteria and the evaluation process documents. But, because the part of the bid document for the evaluation criteria could not be confirmed for originality and the other documents for the tender evaluation process which were done by the technical evaluation committee are not available. In addition, because, the only document available is the minute showing the summary of the technical evaluation result, one could not give a comprehensive comment on the objectivity of the tender evaluation and the award criteria.

However, for the sake of completion, the AP **noting these points as remark had tried to go through the available document for Section 3 "evaluation methodology and criteria" assuming it is the exact document that was used during this particular procurement process.** Thus, in the presented document for evaluation and award criteria one can see that the PE did not use the evaluation methodology and criteria format given on the Standard biding document for works (ICB) properly. On section 3 **B** Evaluation of Bids page 5 of 8, it is stated that "**according to the methodology defined in the public procurement proclamation and directive the public body shall select the successful bid by applying the following method**." And indicates two alternatives (A and B) and instructs the PE to select one of the alternatives by checking the available boxes and use “must meet requirements” indicated in the tables that are given under Legal, Professional, Technical, and Financial Qualification Criteria and some other tables .

The PE instead of following the directive given prepared its own methodology and criteria format similar but not according to the SBD. By doing this, the PE gave points to most of the criteria that are already classified as “must meet” criteria on another column this might confuse bid participants when they prepare their offer and might raise questions in how a must meet criteria again be given a points (you cannot give a point to a must meet criteria). Furthermore, the PE assigned points to most of the criteria by deleting the column that was allocated to one of the conditions for Joint venture participants. This might have prevented those joint ventures who want to participate or it might have created a serious problem had there been participants in joint venture because there would be no evaluation criteria for those bidders who fall under joint venture and under “at-least one partner” column. Thus, in general it is very hard to say that the tender evaluation and the award criteria is objective. Table 7 and 8 shows a sample comparison between the requirements of the Standard Bid Document (SBD) and what has been actually used by the PE.

Table 7: “must meet requirements”, partial table according to the Standard Bid Document and the necessary “at least one partner” column

	CRITERIA					
		Bidder				
			Joint- venture, consortium or association			
Factors	Requirements	Single-Entity	All-Partner	Each-Partner	At-least one Partner	Documentation Required
3. Technical Qualifications, Competence, and Experience of the Bidder						
3.1. General experience	The Bidder has successfully completed at least contracts with a budget of at least that of this contract in the past years	Must meet requirement	n/a	Must meet requirement	n/a	Bidder Certification of Compliance with attachments

3.2. Specific experience	The Bidder has successfully participated as contractor or subcontractor, in at least contracts within the last years, each with a value of at least, that have been successfully and substantially completed and that are similar to the proposed Works..	Must meet requirement	Must meet requirement for all characteristics	n/a	Must meet requirement for one characteristic	Bidder Certification of Compliance with attachments
3.3. History of non-performing contracts	Non-performance of a contract did not occur within the last years prior to the deadline for Bid submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the bidder have been exhausted.	Must meet requirement by itself or as partner to past or existing JV	n/a	Must meet requirement by itself or as partner to past or existing JV	n/a	Bidder Certification of Compliance

Table 8: Partial sample Table according to the PE's evaluation criteria, which include points given to "must meet requirement" and which had deleted the "at-least one partner" column

	CRITERIA					
Factors	Requirements	Bidder				Documentation Required
		Single-Entity	Joint- venture, consortium or association			
			All-Partner	Each- Partner	Points assigned	
3. Technical Qualifications, Competence, and Experience of the Bidder						
3.1. General experience	The Bidder has successfully completed at least contracts with a budget of at least 200 million Birr that of this contract in the past 5	Must meet requirement	n/a	Must meet requirement	8	Bidder Certification of Compliance with

	years					attachments
3.2. Specific experience	The Bidder has successfully participated as contractor or subcontractor, in at least contracts within the last 200 million Birr years, each with a value of at least, that have been successfully and substantially completed and that are similar to the proposed Works.	Must meet requirement	Must meet requirement for all characteristics	n/a	3	Bidder Certification of Compliance with attachments
3.3. Pending litigation	All pending litigation shall in total not represent more than 5 percent of the Bidder's net worth and shall be treated as resolved against the Bidder.	Must meet requirement by itself or as partner to past or existing JV	n/a	Must meet requirement by itself or as partner to past or existing JV	1	Bidder Certification of Compliance

In addition, it might be advantageous to re-evaluate in using the evaluation criteria that gives 70% for technical and 30% for financial evaluation as it may have been giving more emphasis to technical qualification where it might not be necessary, since inflated contract price may be the consequence.

Furthermore, it is not clear if the evaluation criteria specified the methodology of evaluation to determine the lowest evaluated lot combinations, including any discounts offered in the Bid Submission Sheet. As the Instruction to bidders clause 38.5 states "*If these Bidding Documents allow Bidders to submit a Bid for different lots, and the award to a single Bidder of multiple lots, the methodology of evaluation to determine the lowest evaluated lot combinations, including any discounts offered in the Bid Submission Sheet, is specified in the BDS and detailed in Section 3, Evaluation Methodology and Criteria*".

6.1.3.6. COMPETITIVENESS OF THE AWARD PRICE

The minute of the procurement indorsing committee indicates that the members deliberated on the final (technical and financial) evaluation result. As the members could not agree on the award price, they had to vote on the matter to reach to a decision for their recommendation. As there was no available document which indicates what the engineers' estimate was, one can presume that the committee did not have an estimate of the project that it can compare the offer with.

One of the committee members compared the award price with the price of the only other Bid participants of each lot (Lot 1 & 2) and commented on the vast differences between the prices (Table 9 and 10).

Table 9: Financial offers of the first two candidates (LOT I)

No	Bidders' name	Total amount after rebate
1	Tekleberhan Ambaye Construction PLC	453,581,637.34
2	Rama Construction PLC	308,199,606.08

Table 10: Financial offers of the first rtwo candidates (LOT II)

No	Bidders' name	Total amount after

		rebate
1	Tekleberhan Ambaye Construction PLC	478,680,813.67
2	A.M.B. Construction PLC	397,638,278.80

In the first lot, there is a difference of Birr 453,581,637.34 – 308,199,606.08 = 145,382,031.29, which is a wide difference.

In addition, in the second lot, there is a difference of Birr 478,680,813.67 – 397,638,278.80 = 81,042,534.87 the total for the two lots is Birr 226,424,566.74. Thus the committee member argued that the bid should be canceled according to the "instruction to bidders, clause 41.1" by indicating that the difference can build one of the blocks "as it has the same value with the offered amount by the winner for one block". The other members argued and voted that despite the difference, the procurement process should continue as the evaluation took place according to the qualification criteria.

In the absence of other references, in this case the engineer's estimate, it is understandable for one to reach to such conclusion and even at this present time it cannot be proved wrong or right as there is no reference point (Engineers estimate) available.

Finally, the head of the public body accepted the vote and indicated that "the offer had been compared with other projects that were being built under the PE during that time and had been found not to be exaggerated".

However, In the event of the absence of the original engineering estimate document and in the absence of multiple numbers of bid participants who reached the final stage it is very hard to comment about the competitiveness of the award price.

The other matter which was observed is, during the financial evaluation stage, the minutes did not indicate that the bidder who won the bid has included a rebate in the offer it submitted to the PE. However, the bill of quantities of the contract document that the PE signed with the bid winner indicates there is a 1.5% rebate in the contract and the amount that the agreement indicate is Birr 918,278,530.10 not the winner's offer 932,262,467.11.

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

According to the contract document, The PE signed the works contract for both Lot 1&2 on Meskerem 18/2008 E.C. (September 29, 2015) with Tekleberhan Ambaye Construction PLC, with a contract amount of Birr **918,278,530.00 (31,680,609.29 USD) including** 15% VAT. In addition, contract duration of one year and seven months (575Calendar Days). Afri Consult Consulting Architects and Engineers PLC is the supervisor and contract administrator of the project. In reference to the consultant's report# 37 of the project, the contractor took the site on 21/03/08 E.C. (December 01, 2015 G.C) (ref. No AC /HO/042/2019 dated 02/06/2011 E.C. (Feb 09/2019)) and the project commenced on 05/04/2008 (15/12/2015). The project's contract completion date was, on 27/11/2009 E.C (August 03, 2017 G.C.).

So far, there are six different variation orders that the consultant gave and the PE approved. Up to January 30/2019, according to report No. 37 of the consultant, due to the five variation orders, the total variation value is 30,353,279.66 before 15% VAT but if we include the sixth variation, the total might be ETB 32,209,182.61 (1,111,216.80 USD) before VAT, which is around 4.03 % of the contract value.

Due to five different time extension requests by the contractor and approval by the consultant and PE during the course of project, the completion of the project was extended by 545 calendar days or 94.78% of the contract time. Thus, the project extended completion date was, on Tir 22, 2011 E.C. (January 30, 2019 G.C.). However, according to report No. 37 of the consultant, the project was only 74.25 % complete on 22/05/ 2011(E.C) (January 30, 2019 G.C.).

From the beginning of the construction until 22/05/2011, six variation orders were given to the contractor.

The first was for rock excavation, as there are no other documents, which might show details of the variation work it is very hard to give further comment on the subject. However, according to the report No. 37 of the consultant the value the additional cost for the variation order might be 2,030,634.69 before 15% VAT.

The Second variation was an additional work order for Laundry Room.

The variation was necessary, according to the consultant's letter with No AC/HO/135/2017 dated to Megabit 12/2009 and, because the work was not included in the contract in the first place. The PE approved the variation on 27 April 2017 with a letter No 014/250/010064. The additional cost for the second variation according to report # 37 might be ETB 2, 566,814.66 (2,567,825.34 according to the variation order) before 15% VAT.

The Third variation was for J-bolts and Metal plates.

The variation was necessary, according to the consultant's letter with Ref. No AC/HO/084/2017 dated to Yekatit 24/2017 (February 24, 2017) due to design modifications. The additional cost for the Third variation might be ETB 116,659.20 before 15% VAT. Although it is expected that there were work items that are omitted from the 18th floor omission, such as roof works, it is not clear why it was not included in the variation order.

The Forth variation was due to various work items.

The variation was necessary, as the consultant gave clarification by the letter written on pagumen 03/2009 (September 08/2017) with ref.No.AC/HO/404/2017, because of various design changes and various reasons, and the PE approved the variation by the letter dated (October 09/2017) ref. No 014/250/783. The additional cost for the Forth variation might be ETB 6,350,341.55 before VAT, according to the PE approved document of variation order No 4, Or (6,455,982.57 before VAT according to progress report # 37 of Tahesas, 2011 E.C (January, 2019)).

The Fifth variation was for addition and Omission of aluminum works.

According to the consultant's letter with ref. No.AC/HO/047/2018 dated to Tir26/2010 (February3, 2018), and the PE approved the variation by the letter dated February 28/2018 with No. 014/250/7762. The variation was necessary, according to the clarification letter dated February 9/2018 /yekatit 02/2010/ ref No AC/HO/057/2018, due to modification owing to technical and functional reasons. The additional cost for the Fifth variation is yet not clear but according to the progress report # 37 it might be ETB 19,183,188.54 omission not included (-2,239,105.91 according to the approved document including omission) before VAT.

The Sixth variation was for addition and Omission for bathroom ceiling work i.e. PVC laminated gypsum board ceiling. The variation was necessary, according to the consultant's letter No AC/HO/291/2018 dated to (Aug. 20, 2018) because the required standard cannot be met with the work item included in the contract (magnesium board) the item was changed to PVC laminated gypsum board. The additional cost for the sixth variation after omission might be ETB 1,855,902.95 before VAT.

So far, up to January 30/2019, according to report No. 37 of the consultant, due to the five variation orders, the total variation value is 30,353,279.66 but if we include the sixth variation the total will be ETB 32,209,182.61 (1,111,216.80 USD) which is around 4.03 % of the contract value. However, the AP believes that this value does not show the exact value as it might not include all omitted values and as it might not be calculated properly. Furthermore, the sixth variation, although not mentioned in the document might have been already an addition variation **(Magnesium Board)** item in the fourth variation order.

To support the idea of the omitted items, the construction report # 37 (January/2019) from the consultant, show that there is an observed omissions of total amount of Birr 91,287,945.19 (3,149,434.11 USD) before VAT. However, there is no supporting document presented that show how this observed amount of omission is calculated.

There are also Changes in contract duration, which according to the consultant and the PE were caused by various different reasons.

According to the consultant's January/ 2019 report (report # 37), the site handover was conducted on 21/03/2008 E.C. (01/12/2015 G.C.). The contractor commenced the project on 27/04/2008E.C. (06/01/2016G.C.), The total contract duration of the project is 575 calendar days. The total elapsed time of the project up to January 30/2019 was 1119 calendar days.

Changes of contract duration as compared to the original contract duration

- The total contract duration of the project is 575 calendar days.
- So far, additional time duration approved by the consultant, with 5 different time extension approved documents for the project, is 545 calendar days.
- Duration change compared to the contract duration is about 94.78%
- "Thus according to the same consultant report, approved total duration of the project is 1120 calendar days.

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, the project progress reports that clearly show the progress in relation to the total program, supplementary agreements if there are any, and so on would cast doubt on the completeness of the disclosed information. Refering to Annex 1 (the Standard Disclosure Template of CoST - Ethiopia), the average rate of disclosure (or data availability) for works contract is found to be 75 percent.

The disclosure rate for design and Supervision service are rather low, 33.3 percent and 36.5 percent respectively. The disclosure rate of general project information is also low (38.5 percent). This makes the aggregate disclosure rate 48.7 percent.

6.2.2.2. ACCURACY OF THE DISCLOSED CONTRACT INFORMATION.

To make sure that the disclosed procurement information is accurate, the AP had tried to collect all possible documents from the PE in writing by indicating the required documents. Even though there are some documents not presented the AP has relatively 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 to 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

The first Variation was for rock excavation

As there are no enough documents, which might show details of the variation work it is very hard to give further comment on the subject. Nevertheless, according to the report No. 37 of the consultant the value the additional cost for the variation order might be 2,030,634.69 (70,056.90 USD) before 15% VAT.

However one can say that lack of Proper and complete design work and Site investigation or incorrect site investigation in determining conditions of the site and the soil property of the site, may have incurred the PE more cost as variation work for rock excavation and shoring work had to be ordered and there was incorrect quantification of work items. The PE and the consultant should check for lack of completeness, with respect to document preparation and takeoff, so that not to miss work items.

The Second variation was an additional work order for Laundry Room.

The variation was necessary, according to the consultant's letter with No AC/HO/135/2017 dated to Megabit 12/2009, because the work was not included in the contract in the first place. The additional cost for the second variation might be ETB 2,566,814.66 (88,555.11 USD) or (2,567,825.34) before 15% VAT. Lack of completeness, with respect to design, document preparation and takeoff may have incurred the PE more cost due to variation work. To avoid such additional work, the PE and the consultant should check designs thoroughly for completeness and clear of ambiguity during the design stage.

The Third variation was for J-bolts and Metal plates.

The variation was necessary, according to the consultant's letter with No AC/HO/084/2017 dated to Yekatit 24/2017 (February 24, 2017) due to design modifications. The additional cost for the Third variation might be ETB 116,659.20 (4,024.74 USD) before VAT. Although it is expected that there were work items that are omitted from the 18th floor omission, such as roof works, it is not clear why it was not included in the variation order.

The AP presumes, from the letter of the consultant dated Tikemet 24/2009 E.C. (November 3/2016) with Ref No ACHO/764/2016 that variation Order No 3 was the result of the changing of the 18th floor to roof terrace, and the omission of the bridges which were to be built so to connect each pair of blocks to each other. However, there is no document of clarification available from the PE that justifies the reason for omitting the whole 18th floor and changes it to roof terrace.

The omission of the bridges that were originally designed to connect each pair of blocks with each other was suggested by the consultant and was accepted by the PE. According to the clarification given by the consultant by the letter dated to Nehassie 30/2008E.C. (September 5/2016) Ref No ACHO/617/2016 the consultant informed the PE that it will not advise the bridge connection of the blocks with each other on the 18th floor by giving the following reasons.

- The availability of the cushion material for connection of the concrete bridge with the concrete wedge, which will accommodate free movement.
- Serious concern on the technical difficulty of supporting the formwork for the concrete slab at 18th floor level.
- Functional aspect of the bridge which is the unnecessary movement of people from one block to the other is havoc to the security system of the whole complex.
- Concern on a bridge structure on the 18th floor which spans six meter is psychologically unsafe and produces vertigo effect by apartment ….
- Aesthetics effect of a single line bridge does not produce homogenous composition.

The PE accepted the advice with a letter dated September 21 /2016 ref. No.014/250/253.

One can see from the above mentioned letter that the whole floor of the 18th floor of all blocks were changed to roof terrace with only J-bolts installed for flexibility of any structure like cloth hangers. However, the reason to change the whole 18th floor of all blocks to roof terrace is not clear or there is no document presented that show the reason for it. Furthermore, the reason not to include the omitted work items in the variation order No 3 is also not clear. The reason and concern that led to omit the bridgework item from the contract, given by the consultant to the PE could have been presented and may have been solved during the design stage. Raising such concern that may have been easily foreseen during the design stage is not clear.

Items that had been omitted due to this variation should have been itemized and deducted from additions of the PE approved variation order attached document. Thus, it is not clear why the Omitted Items are not indicated and deducted from the additional work item values.

Changing material type and quality or work item in the middle of a construction stage would or might favor the contractor by creating opportunity to have a new unit price free of competition for every new item that is changed by variations, which will burden the PE for additional and unexpected expenses. Therefore, the PE should have thoroughly checked the design for completeness before tendering and avoid loops that might incur additional unexpected costs.

To avoid such changes and omissions the PE and the consultant should check designs at preparation stage carefully for completeness so the documents will be clear of ambiguity.

Furthermore, it is not clear if the prices for the new items were compared to detailed Breakdown of Price lists, which indicate breakdown of basic supply prices for materials, labor, equipments, and others that may give an idea about major items prices that were collected from the bidder during biding stage. This is as indicated on section 4 starting from page 11 of the SBD.

The Forth variation as mentioned previously was due to various work items.

The variation was necessary, as the consultant gave clarification by the letter written on pagumen 03/2009 (September 08/2017) with ref.No.AC/HO/404/2017, because of various design changes and various reasons, and the PE approved the variation by the letter dated (October 09/2017) ref. No. 014/250/783. The additional cost for the Forth variation might be ETB 6,350,341.55 without VAT, according to the PE approved document of variation order No 4, Or 6,455,982.57 (222,731.40 USD) before VAT according to progress report # 37 of Tir, 2011(January, 2019)).

The major items of the variations are,

- **Marble threshold** which was incorporated, according to the letter of clarification given by the consultant Ref. No. AC/HO/404/2017 dated 5/13/2009 (sept, 08/2017), because it was **missing from the specification in the contract** but it is mandatory work item. Its value might be 1,180,751.81 ETB without VAT.

- **Magnesium Board** was included in the variation, according to the above mentioned latter of clarification, following the modification of sanitary drain pipes under with concrete slab suspended ceiling of magnesium board of water proofing nature was found to be mandatory to serve the purpose of concealing and protecting the pipes. However, as we will see latter this same item might further be changed to another work item in variation No. 6. The value of the variation might be 2,413,383.29 ETB without **VAT.**

- **Water proofing work** was included, according to the above mentioned same clarification latter because the already contract included water proofing material was with membrane type, owing to the technical application and the significant change (saving) in the unit rate of cementations water proofing material was preferably chosen. This item, again according to the above mentioned same clarification latter was an omission/addition venue to the very benefit of the PE. The attached document, with variation unit price approval letter from the PE document does not show the omitted item but the value of the additional work item might be 1,791,954.41 ETB without VAT.

These are some of the major variation items but there are other items also included in the variation. The document attached with PE's approval letter shows the value for the variation order is 6,350,341.55 ETB. However, the approval request letter from the consultant dated on August 24/2017 with Ref. No. AC/HO/392/2017 and its attachments indicated that the water proofing work item which was part of the contract with a total sum value of 5,555,397.12 ETB had been omitted and changed by another material (letter

Ref. No. AC/HO/404/2017 dated September 08/2017). Furthermore, the Marble windowsill work item with a total sum value of 1,695,259.30 ETB was not necessary (letter Ref. No AC/HO/433/2017 dated October 6/2017). Thus, these items as indicated in the consultant's approval request letter attachments should have been deducted from additions of the PE approved variation order attached document. However, it is not clear why the Omitted Items are not indicated and deducted from the additional work item values.

The other issue is, neither the PE nor the consultant indicated the approved total sum of the variation value on their covering letters. Moreover, the attached documents with the PE approval letter are not properly signed and sealed documents. This might create ambiguity and opportunity to manhandle the documents easily. Thus, it is advisable to mention the amount of the approved value and take correction in authenticating such documents.

The various design incompleteness, missing work items, incorrectly itemized works and so on, which surfaced during different construction stages might be the main causes for many variation orders. Thus, in the future, the PE and The consultant should make sure such incompleteness, modification, and mistakes on design will not arise.

Furthermore, it is not clear if the prices for the new items were compared to detailed Breakdown of Price lists which indicate breakdown of basic supply prices for materials, labor, equipments and others that may give an idea about major items prices that were collected from the bidder during biding stage. This is as indicated on section 4 starting from page 11 of the SBD.

As these documents were not made available, it is not clear if the PE and the consultant have used the basic price for the major items as a basic reference price for fixing changes in unit prices, a document that is found in the bid document during tendering stage. It is not clear if the PE has such document for basic prices of major items from the contractor during the tendering stage.

The Fifth variation was for addition and Omission of aluminum work. According to the consultant's letter with No.AC/HO/047/2018 dated to Tir 26/2010 (February3, 2018) the variation was necessary due to modification owing to technical and functional reasons. The additional cost for the Fifth variation is Birr 2,239,105.91 (77,249.15 USD) before VAT according to the approved document including omission.

The major items included in variation 5 is **Aluminum curtain wall**

According to consultant's clarification, by the letter Ref.No.AC/HO/057/2018 dated Yekatit 02/2016 (February, 9/2018), the aluminum curtain wall which was included in the contract was a double glazed window type was avoided and changed for single glazed aluminum frames because:

1. The aluminum frame type for double glazed window type was not available at that time on the local market (information from the sub-contractor and thus to be imported there was already the issue of LC problem thus locally available single glazed aluminum frame is proposed for curtain walls.
2. The location where the double glazed curtain wall was to be fixed is according to consultant's clarification, "not sensitive to outside noise disturbance, as the windows for the apartment units are single glazed it does not make sense to make the stairwells sound proof while the more noise sensitive areas are not". Thus the double glazed aluminum frame is proposed to be changed to single glazed frame as there is no disadvantaged.

3. “The lower part of the curtain walls” again according to the consultant’s clarification by the above mentioned letter, “at every stair landing is prone to be hit by moving objects and it is not safe for children thus it is reasonable to change the lower part of the curtain wall at every landing to safer opaque, aluminum panel”

The value of this particular work item according to the variation order no 5 document, is 7,487,571.68 ETB before VAT and the omitted work item value is 10,714,152.00 ETB (369,4453.5 USD)

In this variation change one may ask why the main and fire escape stair wells were provided with sound proofing windows while the apartment units were not, further more one may ask if the double glazed walls were provided not only for sound proofing but also for insulating the internal space from the outside temperature.

The various design incompleteness, missing work items, incorrectly itemized works and so on, which surfaced during different construction stages might be the main causes for many variation orders. This might occur if the design was not complete or was not properly checked by the PE and so on. Thus, in the future, it might be better for the PE and the consultant, while the project is on the design stage to thoroughly check for such incompleteness, inconsistency, and omission.

As the documents were not made available it is not clear if the PE and The consultant have used the basic price for the major items as a basic reference price for changes in unit prices, which is a document that is found in the bid document during tendering stage (on section 4 starting from page 11 of the SBD). It is not clear if the PE has such document for basic prices of major items from the contractor during the tendering stage.

- **Balcony hand rail**

According to the consultant’s above mentioned clarification letter **“**the balcony handrail which was in aluminum and double glazed glass fillers which include metal plates and so on was changed to a “safer” steel frame with no glass as it is not feasible for the intended purpose for protection”.

The value of the work item according to the variation order no 5 document, is 7,659,287.10 ETB before VAT. The omitted work item value is 10,708,152.00 ETB.

The reason and concern that led to omit and change this work item from the contract, which is given by the consultant to the PE could have been presented and may have been solved during the design stage. It is not clear why such concern was not solved the design stage.

Changing material type and quality or work item in the middle of a construction stage would incur additional cost or might favor the contractor to have a new unit price free of competition, which will incur additional cost on the project. It might be better for the PE, in the future to always check the design for completeness to avoid loops that might favor bidders in the long process of construction.

- **Aluminum Louver**

According to the above same mentioned clarification, letter of the consultant “the aluminum louver was a new work item, necessary for ventilation of the utility ducts of the waste pipes from the bathrooms.”
The value of the work item is 4,036,339.31 ETB before VAT.

By the same analysis, one can say such kind of design changes are caused by design incompleteness and might show up during the course of construction. Thus, in the future in order to avoid such changes, It might be better for the PE to check the design of the building and the tender documents properly before the tender process begin.

The Sixth variation was for addition and Omission for bathroom ceiling work i.e. PVC laminated gypsum board ceiling for toilet rooms. The variation was necessary, according to the consultant's letter No AC/HO/217/2018 dated to (June 27/ 2018) because the required standard cannot be met with the work item included in previous variation (magnesium board). The additional cost for the sixth variation after omission might be ETB 1,855,902.95 (64,028.65 USD) before VAT.

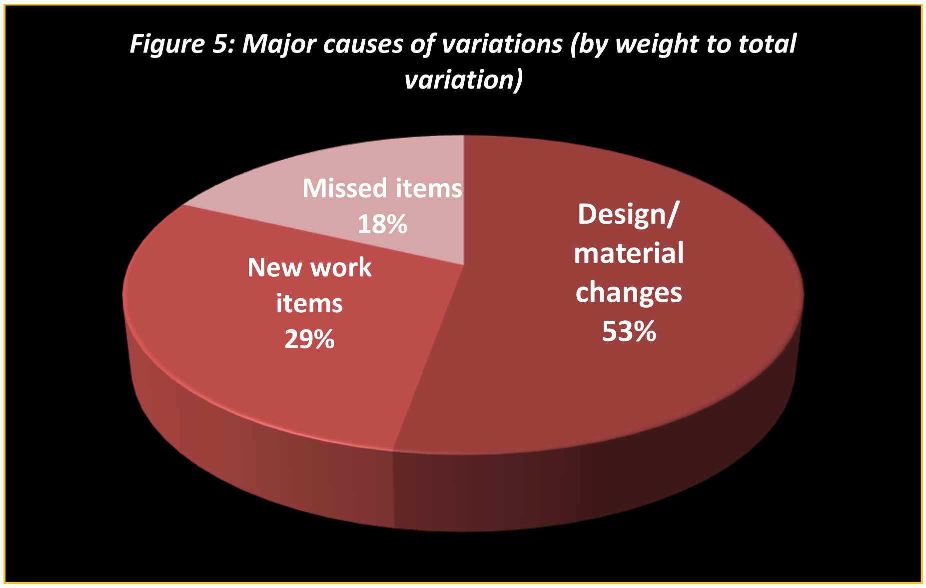
This variation, although not mentioned in the document might have been already an addition variation **(Magnesium Board)** item in the fourth variation order, as one can see from the similarity of the quantity and specification. Thus, this variation might be to again change the "magnesium board" to another work item (i.e. PVC laminated gypsum board) ceiling.

Summary of cost variation

Table 11 shows summary of causes of some of the major cost changes of the project assuming the variations are according to the available documents.

Table 11: Summary of cost variation

Var. No.	Description	Amount in Birr (USD)		
		Design/ material changes	New work items	Missed items
1	Rock excavation			2,030,634.69
2	Laundry Room			2,567,825.34
3	J-bolts and Metal plates		116,659.20	
4	Marble threshold			1,180,751.81
4	Magnesium Board		2,413,383.29	
4	Water proofing work	1,791,954.41		
4	Different work items		945,079.04	
5	Aluminum louver window		4,036,339.31	
5	Balcony hand rail	7,659,287.10		
5	Aluminum curtain wall	7,487,571.68		
6	PVC laminated gypsum board ceiling /re-ordered/		1,855,902.95	
	Total	16,938,813.19 (584,389)	9,367,363.79 (323,174)	5,779,211.84 (199,383)
	Percentage	52.79	29.20	18.01



As we can see from Figure 5, 53 % of cost variation is caused from design or material change, 29 % is caused due to new work items and 18 % is caused due to work items that were missed during document preparation.

So far, up to January 30/2019, according to report No. 37 of the consultant, due to the five variation orders, the total variation value might be 30,353,279.66 but if we include the sixth variation, the total will be around ETB 32,209,182.61 (1,111,216.80 USD), which is around 4.03 % of the contract value. However, the AP believes that this value may not show the exact value as it might not include all omitted values and as it might not be calculated properly.

The various design and material changes, design incompleteness, missing work items, incorrectly itemized works and so on, which surfaced during different construction stages, might be the main causes for many variation orders. This might occur if the design was not properly done, or was not complete or was not properly checked by the PE and so on. Thus, in the future it might be better for the PE and The consultant to check thoroughly for such incompleteness, inconsistency, and omission while the project is on the design stage.

Changing material type and quality or work item in the middle of a construction stage might favor the contractor by creating opportunity to have a new unit price free of competition for every new item. Therefore, the PE should check the design for completeness and avoid loops that might favor bidders in the long process of construction.

6.2.3.2. ISSUES RELATED TO CONTRACT DURATION

According to the consultant's report of January 30/2019, (report No 37) the handover of the site was conducted on 21/03/2008 E.C. (01/12/2015 G.C.). The total contract duration of the project is 575 calendar days. The contractor commenced the project on 05/04/2008 E.C. (15/12/2015 G.C.) the total elapsed time of the project up to January 30/2019 was 1119 calendar days.

Changes of contract duration as compared to the original contract duration,

- The total contract duration of the project is 575 calendar days.
- So far, additional time duration approved by the consultant for the project is 545 calendar days.

- Duration change compared to the contract duration is about 94.78%
- Thus, the new duration of the project is 1120 calendar days.

According to the consultant's reports and different documents, the contractor requested for time extension on different periods of construction stages. Around 5 rounds of time extension requests got approved, by the consultant and the PE, which sum-up to 545 calendar days.

In Jul 21st /2017 with a letter Reference No 014/250/12 the PE has approved the **first** and **the second** time extension request of overall 52 calendar days of additional time by indicating the summery as: -

1) Due to Additional works (excess in quantity). ..……………………………. 44
2) Adverse weather condition (February 01/2016- May 31,2016………………. 8

Total additional time. ……………………………………………………52 calendar days

In Nov 10th /2017 with a letter Reference No 014/250/2077 the PE has approved the third time extension request for overall 6 calendar days of additional time by indicating the summery as: -

1) Adverse weather condition (February 01/2016- May 31,2016………………. 6 calendar days

In Jan 17th /2018 with a letter Reference No 014/250/729 the PE has approved the **fourth** time extension request of overall 201 calendar days of additional time by indicating the summery as: -

1) Design modification of 18th floor or bridge omission ………..…………………… 68
2) Delay of Laundry room design approval……….……………..….…….…………87
3) Design modification of domestic water reservoir, transformer, generator and water pump house…………………...……...……......22
4) Delay of lift shaft machine room design approval…………..……..………………24

Total additional time ……..…..……………….…………..……………………201 calendar days

In Sep 14 /2018 with a letter Reference No 014/250/11... The PE has approved the fifth time extension request of overall 286 calendar days of additional time by indicating the summery as: -

1) Late approval and introduction of new -work methodology for clinker tile cladding work……………………………266
2) Adverse weather condition (February 01/2016- May 31,2016….…………..…20

Total additional time ………..……….…………………………………..286 cal. days

To summarize the total time duration approved by the PE

1) Time extension approval No 1and 2…………………….……………………52
2) Time extension approval No 3…….……………………….…………………...6
3) Time extension approval No 4……………………….…..……………………201
4) Time extension approval No 5……...………...…………….…………………...286

Total additional time……………………………………………..…...545 calendar days

As it was mentioned above according to the consultant's report, the project commenced on 27/04/2008 (06/01/2016 G.C) and up to the month of January 30 /2016 G.C.(Tir 23/2011) 1119 days had elapsed. However, the contract duration of the project was 575 days.

Going through each time extension approvals and their justification separately we have: -

Time extension No 1 and 2.

Time extension No 1 (time extension due to excess in quantities (additional Works) (44 calendar days).

According to the consultant's letter of July 6/2017 Ref No AC/HO/308/2017 the time extension approved for this case is caused due to significant work item changes and excess in quantities.

Consequently, the consultant and then the PE have approved 44 days for additional work items, but the documents which shows the calculation to reach on these 44 days is not clear.

One calculation shows the final result as 44 by multiplying the additional time duration it calculated for one podium (Lot-1) (22 days) by two, to include the duration for the other podium (Lot 2), nevertheless these two lots were, according to the agreement and schedule, being executed simultaneously. Thus, the AP believes that the duration should not have been multiplied by two.

The other calculation is even not complete as it refers to unavailable document, which is referred as an additional attachment to the document. Thus, the AP could not comment on this calculation except mentioning that the calculation does not give a clear picture of how the days for compensation were calculated.

It is not clear also if this review did take into consideration of those omitted work items that should have been included in the calculation. This might have somehow reduced or canceled the additional time approved.

The approved 44 days are in compensation for **excess in quantities (additional Works).** The extension is 7.65% of the whole contract time. To analyze the additional days in terms of money one can calculate the expected average amount of work to be executed by the contractor in each day to complete the work under the contract time and then multiply it with the approved additional days. Thus, the contractor is expected to, according to the contract, execute

$$\frac{918{,}278{,}530.10\ (ETB)}{575\ (days)} = 1{,}597{,}006.14 \text{ (ETB)}$$

per day on average to complete the project under the contract duration, thus if the contractor is compensated for additional 44 days for time extension one may deduct **an additional work item value of 1,597,006.14 X 44 = ETB 70,268,270.13** are the causes of the allowance of the additional days. However, there is no document presented that shows the **additional work item value** is of such amount.

One may also question if the other work items in the contract which were supposed to be executed during these same days were considered during the calculation for 44 days,

To summarize, when reviewing time extension request of a project like this

- There should be a clear understanding and picture of the whole project schedule,
- The project's baseline schedule and other revised schedules should be taken into consideration,
- The impact of the additional work item on the progress of the whole project should be analyzed not by considering the single item separately but putting the work item in the whole process,
- The actual delays by the contractor until the advent of the particular additional work item, if there are any should also be taken into consideration,
  - and so on.

Thus taking these points into consideration the AP could not be sure if the approved time extension (44 days) is reviewed and approved properly.

Time extension No. 2 (time extension due to adverse weather condition) i.e. (8 calendar days).

The consultant and then the PE approved time extension request No 2 for 8 days presumably caused by rainfall between the periods of Feb/2016 to May/2016.

According to the general condition of contract: -

> Clause 73.1 "The Contractor may request an extension of the Intended Completion Date if he is or will be delayed in completing the contract by any of the following causes:
>
> (a) Exceptional weather conditions in the Federal Democratic Republic of Ethiopia;"
>
> Clause 74 Compensation Events for Allowing Time Extension
>
> 74.2. "If a Compensation Event would prevent the work being completed before the Intended Completion Date, the Intended Completion Date shall be extended. The Engineer shall decide whether and by how much the Intended Completion Date shall be extended.

Conferring to the attached documents of the consultant, the assessment for the calculation of the proposed days of compensation was well prepared and tried it's best to take all possible conditions and scenarios into consideration which include : -

- ✓ the actual metrological data,
- ✓ the actual adverse climate condition and the normal climate condition (duration, amount and intensity of rainfall),
- ✓ those work items that were actually affected by the adverse weather condition,

-to reach to a logical and acceptable recommendation.

Therefore, the AP believes the decision to compensate the contractor, for adverse weather condition for the time between Feb/2016 and May /2016 may have been logical.

However, as it was tried to show in the previous section incidents and their impacts on the progress of the project should be analyzed by putting them into the whole project schedule process and review the impact they have on the whole project. However, taking and reviewing incidents separately may take the review to the wrong conclusion as it will exclude the whole project and other work items which were supposed to be executed simultaneously.

Thus taking these points into consideration the AP even though believes the decision to compensate the contractor, for adverse weather condition for the time between Feb/2016 and May /2016 maybe more or less proper and logical, **could not be sure if the approved time extension (8 days) is reviewed and approved properly.**

Time extension No. 3 (time extension due to adverse weather condition) (6 calendar days).

The consultant and then the PE approved time extension request No 3 for 6 days caused by rainfall during the period between March/2017 and June/2017.
The consultant has handled and treated this compensation request the same way as it had treated the Time extension request No 2. Thus, the AP believes the compensation (6 days) to adverse weather condition for the

time between March/2017 and June /2017 may more or less be proper and logical (even though the work schedule documents are not available).

However, as mentioned above in the section for time extension No. 2, **considering the mentioned points, the AP could not be sure if the approved time extension (6 days) is reviewed and approved properly.**

Time extension No 4 (time extension due to various cases) (201 calendar days).

The consultant recommended 312 calendar days and then the PE approved 201 calendar days for extension time request No 4 for various types of claims. Referring to the documents attached with the consultant's letter and the PE's approval letter, these approved 201 days of extension time are caused by different incidents: -

1) One of the described incidents for time extension approval is the time for the delay of design modification on 18th floor or omission of bridgework. (68 days)

   The AP presumed, from available documents, that there were bridges to be built between each pair of blocks on the 18th floor level, which will connect the blocks to each other. However, as the construction of the building reached these floor levels, as there might not be a complete design for the bridges in the contract document presented from consultant, the contractor submitted design proposal of the bridges for approval. nevertheless, the consultant after a long process and providing various justifications concerning technical difficulty, functionality, safety, and esthetics, proposed to the PE to omit the bridges as a whole from the contract and the PE accepted the proposal.

   Due to this fact, The PE approved 68 days for time extension. The documents supporting this incident are, a letter from the contractor, written on August 19, 2016 G.C, which requested the consultant for design approval of the bridge, and a letter for the final design change, "accommodating" the omission, written on October 8 and 26, 2016 from the consultant.
   According to the AP's calculation, the number of days should have been 62 days rather than 68 days that the PE calculated.

   a) As one can see from the above description, included in the modification incident it is assumed there were many omitted work items because of the 18th floor and the bridges omission and thus is not clear if the time, which was allocated for the omitted work items were taken into consideration.

   It is not clear also if this review did take into consideration of those omitted work items that should have been included in the calculation. This might have somehow reduced or canceled the additional time approved.

   b) The other thing is, the case of the length of time required to be allowed for the engineer to approve design proposal documents submitted by the contractor. According to the conditions of contract clause 42.1.d the Contractor shall submit design documents for the Engineer's approval at least one **month before commencing construction of the works in question.** Taking this and the omission of the work item that was being requested for approval into consideration at least **30 days of the approved time extension should not have been allowed for extension.**

   "Clouse 42.1 The Contractor shall submit to the Engineer for approval:

d) The Contractor shall prepare, at its own expense, all design and construction drawings and other documents and objects necessary for the proper execution of the Contract …………………. The Contractor shall submit, ……………………………………. …… documents or objects it is to provide for the Engineer's approval at least one ***month before commencing construction of the works in question.***
Within 15 days of receiving the drawings, design calculations, objects and other documents required under (c) and (d), the Engineer shall return them to the Contractor with either his endorsement or his remarks."

c) The other major issue, which should have been considered during the analysis of the time extension approval, was the critical path of the work schedule. The PE should have checked if the work item was on the critical path of the contractor's approved schedule. There is no document, which shows if this condition was checked during the evaluation for time extension approval.

d) The other item, which should have also been considered during the analysis of the time extension approval, is the contractor's performance of the works that it had planned to execute during the concerned period. If the contractor did not meet the planned schedule on that particular time, then this should have been taken into consideration when evaluating the time extension approval. There is no document that shows if this condition was checked during the evaluation for time extension approval.

2) The second incident of time extension approval for 87 days is the laundry room sanitary design approval.

a) The consultant and the PE approved 87 days for laundry room sanitary design approval. According to the consultant, the contractor requested for design approval on June 22/2017 however, the consultant approved the request on September 16/2017. Neither of them gave the reason why the approval of the design request took so long. According to the general condition of contract clause 42.1 "the Engineer shall return the design to the Contractor with either his endorsement or his remarks within 15 days of receiving them.*"* In this case, the consultant did not give the approval for the request for 87 days.

Clause 42.1, The Contractor shall submit to the Engineer for approval:

"Within 15 days of receiving the drawings, design calculations, objects and other documents required under (c) and (d), the Engineer shall return them to the Contractor with either his endorsement or his remarks."

b) Furthermore, even though the general conditions of contract clause states that the contractor should submit the design for approval at least one **month before commencing construction of the works in question. It is not clear if either the consultant or the PE took the** 30 days into consideration when they decide to approve the time extension request.
When the contractor submits the request for approval there should be no work interruption due to the request for at least 30 days as the work item in question, according to condition of contract, will start after one month. Thus, it might be wrong to give the contractor at least the first 30 days as time extension as there was no interruption of concerning the particular work item during that time.

c) The other major issue that should have been considered, during the analysis of the time extension approval was that the PE should have checked whether the work item is on the critical path of the contractor's approved schedule or not during that specific time. There is no document that shows if this condition was checked during the evaluation for time extension approval.

d) The other item that should have been considered during the analysis of the time extension approval is the contractor's performance of the works that it had planned to execute during the concerned period. If the contractor did not meet the planned schedule on that particular time, then this should have been, taken into consideration when evaluating the time extension approval. There is no document that shows if this condition was checked during the evaluation for time extension approval.

To summarize, the incident that caused the time extension of 87 days, may have occurred due to the consultant's fault to approve the request during the contract allowed time for approval (15 days). Furthermore, at least 30 days of the 87 approved days may not have been approved to the contractor, as there was no interruption of work during the time.

3) The third incident for time extension of 22 days is the delay of the approval of Design modification of domestic water reservoir, transformer, generator, and water pump house.

According to the consultant and PE, the contractor submitted the drawing for transformer, Generator, water reservoir and pump house for approval on May 02/2017. The consultant requested the contractor for clarification on the subject on May 24/2017. The contractor returned the request for clarification on July 22/2017 and the consultant approved the request to the contractor on December 13/2017. the consultant and the PE approved 22 days for time extension.

a) the general condition of contract states that

"Clouse 42.1 the Contractor shall submit to the Engineer for approval:

d) The Contractor shall prepare, at its own expense, all design and construction drawings and other documents and objects necessary for the proper execution of the Contract ……………………. The Contractor shall submit, ……………………………………….. …… documents or objects it is to provide for the Engineer's approval at least one ***month before commencing construction of the works in question.***

Within 15 days of receiving the drawings, design calculations, objects and other documents required under (c) and (d), the Engineer shall return them to the Contractor with either his endorsement or his remarks."

And clause 42.3

………………….. Any Contractor's drawings, documents, samples or models which the Engineer fails to approve, shall be forthwith modified to meet the requirements of the Engineer and resubmitted by the Contractor for approval. Within 15 days of being notified of the Engineer's remarks, the Contractor shall make the requisite corrections, adjustments etc. to the documents, drawings, design calculations etc. The corrected or adjusted documents, drawings, design calculations etc. shall be resubmitted for the Engineer's approval under the same procedure.

Thus, according to the above mentioned clause of the general condition of contract, as the consultant had returned the design to the contractor for clarification after 22 days, which should have been returned within 15 days, the difference of 7 days had been delayed by the consultant. Furthermore, the above clause of the condition of contract states that the contractor should return the document after correction within 15 days, but the contractor returned the correction after 21 days thus he had delayed the work by 6 days. Then the consultant approved the design after 21 days of receiving the clarification, consequently according to the above clauses of the general contract the consultant delayed the work by 6 days thus the AP believes if the time extension had to be approved only 7 days may have been approved not 22.

b) Furthermore, the workload of this particular work item should have been compared to the total work and should have been evaluated accordingly. For instance, the contractor was supposed to execute an average of 1,597,006.14 (ETB) per day (as indicated previously) to complete the work during the contract time therefore, approving 22 days for time extension means the work item is worth of 1,597,006.14 X 22 days = 35,134,135.08 ETB worth. The available document of the time extension approval of the PE does not show if such analysis had been considered during evaluation.

$$\frac{918{,}278{,}530.10\ (ETB)}{575\ (days)} = 1{,}597{,}006.14\ \text{(ETB)}$$

c) The other major issue that should have been considered during the analysis of the time extension approval was that the PE should have checked if the work item is on the critical path of the contractor's approved schedule. There is no document, which shows if this condition was, checked during the evaluation for time extension approval.

d) The other item that should have been also considered during the analysis of the time extension approval is the contractor's performance of the works that it had planned to execute during the concerned period. If the contractor did not meet the planned schedule on that particular time, then this should have been taken into consideration when evaluating the time extension approval. There is no document that shows if this condition was checked during the evaluation for time extension approval.

4) The fourth incident for time extension of 24 days is the delay of the lift shaft machine's room design approval. According to the PE's evaluation document the contractor requested for modification on February 01/2017 and the consultant gave the final drawing on February 24/2017 and thus approved 24 days of time extension for the contractor.

The general condition of contract states that :-

"Clouse 42.1 The Contractor shall submit to the Engineer for approval:

d) The Contractor shall prepare, at its own expense, all design and construction drawings and other documents and objects necessary for the proper execution of the Contract …………………….. The Contractor shall submit, ………………………………………. …… documents or objects it is to provide for the Engineer's approval at least one ***month before commencing construction of the works in question.***

Within 15 days of receiving the drawings, design calculations, objects and other documents required under (c) and (d), the Engineer shall return them to the Contractor with either his endorsement or his remarks."

Thus, according to the above mentioned clause of the general condition of contract, as the consultant had returned the design to the contractor for clarification after 23 days that should have been, returned within 15 days the difference of 8 days had been delayed by the consultant.

This approval process is also not clear, as it does not consider the different issues that were raised in the previous sections (Item No 3)

To summarize, this approved time extension no 4 which "caused" the project completion time to extend nearly by 34.96 % (201 Calendar days) -should have been properly reviewed by including the different stated in each incidents.

Thus, this approval process is also not clear, as it does not consider the different issues that were, raised in the previous paragraphs.

Time extension No 5 (time extension due to various cases) (286 calendar days).

As per the presented document for time extension approval of time extension No 5, the consultant recommended 407 days but then the PE approved only 286 calendar days for two types of incidents. Referring to the documents attached with the PE's approval letter and the consultant's recommendation letters, these approved 286 days of extension time are caused by Two incidents: -

1. One of the incidents, according to the attached document, is the late approval and introduction of new work methodology for clinker tile cladding work. The 266 days approved were because of
    - Modification made due to the unavailability of the proposed locally adhesive material to the locally available technically fit adhesive material, took significant time. The day the final decision for the modification was approved on February 05,2018
    - New work methodology introduced, to accommodate aluminum bracing from safety point of view, which reduced production efficiency.

The approved time extension of 266 days is 46.26 % in relation to the contract time (575 days). If we analyze the approved time extension days with respect to the expected average value of work item to be executed in one day by the contractor. In order to complete the work under the contract time, which is around 1,597,006.14 (ETB) per day, the value of work item that will be executed in the approved 266 days will be (266 x 1,597,006.14) around 424,803,633.24 (ETB). This is around 46% of the contract value but it is not clear if the particular work item value is of such value.

a) From the above information, one can understand that the approved time extension request did not show when and if the contractor submitted its request for modification, or when the work item was planned to be executed and if the proper procedures for such modification was respected.
b) According to the consultant, the cause of the time extension is **the late approval** and introduction of new work methodology, neither the consultant nor the PE gave the reason why the approval of the design request took so long. According to the general condition of contract clause 42.1 "the Engineer shall return the design to the Contractor with either his endorsement or his remarks within 15 days of receiving them.*"*

> *Clause 42.1, The Contractor shall submit to the Engineer for approval:*
>
> *"Within 15 days of receiving the drawings, design calculations, objects and other documents required under (c) and (d), the Engineer shall return them to the Contractor with either his endorsement or his remarks.*"

c) From the above information, one can also understand that the approved time extension request may not take the other work items, which were being executed concurrently. Furthermore, it may have been calculated as if the work item had not been included in the existing schedule.
d) The other major issue, which may have been considered during the analysis for such an immense duration of time extension approval review, was that 1) to check the original time length allocated to the work item on the baseline schedule and the latest approved schedule of the project. 2) The work item should have been checked if it is on **the critical path of the latest contractor's approved schedule**. There is no document, which shows if these conditions were checked during the evaluation, for time extension approval.
e) The other item that should have been considered during the analysis of the time extension approval is the contractor's performance of the works that it had planned to execute during the concerned period. If the contractor did not meet the planned schedule on that particular time, then this should have been taken into consideration when evaluating the time extension approval. There is no document that shows if this condition was checked during the evaluation for time extension approval.

2. The second incident, according to the attached document, is the case of adverse weather condition. The PE approved 20 calendar days of time extension because of heavy rainy days that occurred from February 2018 to August 2018. The PE used the site books as document resource to support the time extension approval. As it is clear from the above information that the approval may not be appropriate, **Thus taking these points into consideration, i.e.** As the decision to compensate the contractor, for adverse weather condition for the time between Feb/2018 and August /2018 may not be well reviewed **the AP could not be sure if the approved time extension (20 days) is reviewed and approved properly.**

To summarize, this approved time extension, which "caused" the project completion time to extend nearly by 49.74 % -should have been properly reviewed by including it in the approved schedule. Furthermore, it is not clear, as there are no enough documents, if the delay occurred due to the contractor's late request or the consultant's fault to approve the request during the contract allowed time for approval (15 days). It is not clear if the approved time extension request have taken the other work items which were being executed concurrently into consideration. It is not clear if it was checked whether the work item was on **the critical path of the latest contractor's approved schedule and how the item will affect the whole schedule**.

Thus this approval process is also not clear as it does not consider the different issues which were raised in the above paragraphs.

Furthermore the other thing AP may comment on these compensation documents is that, as can be seen on most of the attached documents to the approval letter of the PE, the attached supporting documents are not properly signed and sealed thus it may perhaps be better to have the proper signature and seal of important documents.

Final summary for time extension approval.

For project owners, lost benefits stem from being unable to make use of the project at the agreed date because of project overrun.

A detailed schedule analysis is required to investigate the events that have actually caused the project to overrun.
When evaluating time extension claims one should take different conditions into consideration in order to reach to the right decision without compromising the conditions of the contract.

Some of them are: -

1. The baseline program,
2. The updated programs for the project
3. The effect of the design change on the program.
4. Resolving concurrent delays

The main items that should be answered are:

- ✓ What was supposed to happen?
- ✓ What did actually happen?
- ✓ What were the variances?
- ✓ How did they affect the project schedule?

When reviewing time extension request of a project like this

- ❖ there should be a clear understanding and picture of the whole project schedule,
- ❖ the project's base line schedule and other revised schedules should be taken into consideration,
- ❖ the impact of the additional work item on the progress of the whole project should be analyzed not by considering the single item separately but putting the work item in the whole process,
- ❖ The actual delays by the contractor until the advent of the additional work item, if there are any should also be taken into consideration, and so on.

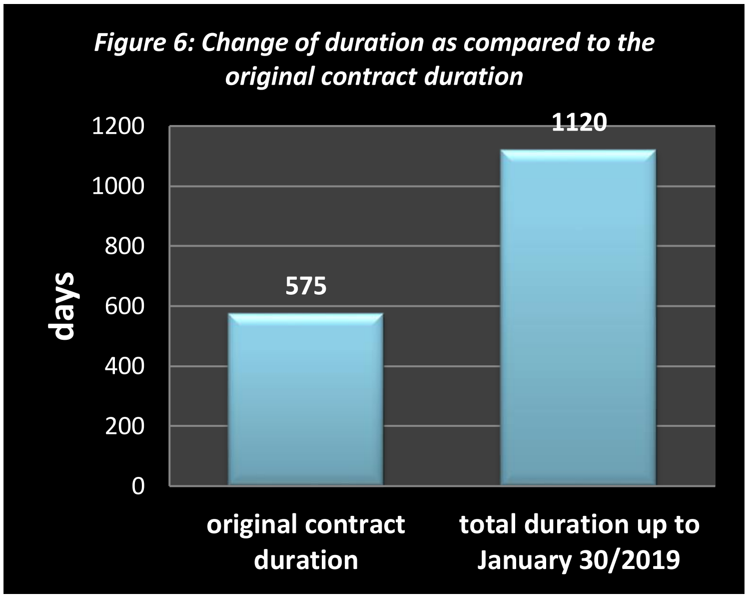
Thus all the time extension request reviews may not have taken all the other work items included in the contract, which were being executed concurrently. Furthermore, they may have been calculated as if each work item had not been included in the existing schedule.

It is not clear also if this review did take into consideration of those omitted work items. This might have somehow reduced or canceled some of the additional durations approved.

The other major issue which should have been considered during the analysis of time extension approval reviews was that to check whether the work items, during those specific times, are on the critical path of the contractor's approved schedule or not. There are no documents in all the approved time extensions reviews which show if those conditions were checked during the review of the time extension approvals.

The other item that should have been considered during all the analysis of the time extension approvals is the contractor's performance of the works that it had planned to execute during the concerned periods. If the contractor did not meet the planned schedule on those particular times, then this should have been taken into consideration when evaluating the time extension approvals. There is no document that shows if this condition was checked during the evaluation for time extension approvals.

Thus, it is from all this points that one can realize that the examinations of time extension requests, that the review and approval process for the different time extension requests i.e. from 1 to 5 which extended the completion of the project by 545 calendar days or 94.78% of the contract time, might be inconsistent and not clear and may need further detail assessment for their review process (See Figure 6)



If we go through the 5 approved documents and check the causes for the change of the contract duration we get what is presented in Table 12.

Table 12: Summary of time extensions and their reasons

No	Description	Time extension No.	No of days
1	Due to Additional works (excess in quantity)	1	44
2	Adverse weather condition	2	8
3	Adverse weather condition	3	6
4	Design modification of 18th floor or bridge omission	4	68
5	Delay of Laundry room design approval	4	87
6	Delay of design modification of domestic water reservoir, transformer, generator and water pump house.	4	22
7	Delay of lift shaft machine room design approval	4	24
8	Late approval and introduction of new work methodology for clinker tile cladding work	5	266
9	Adverse weather condition (February 01/2016- May 31,2016	5	20
	Total		**545**

Thus, the causes for the change of the contract duration in percent will be as shown in Figure 7.

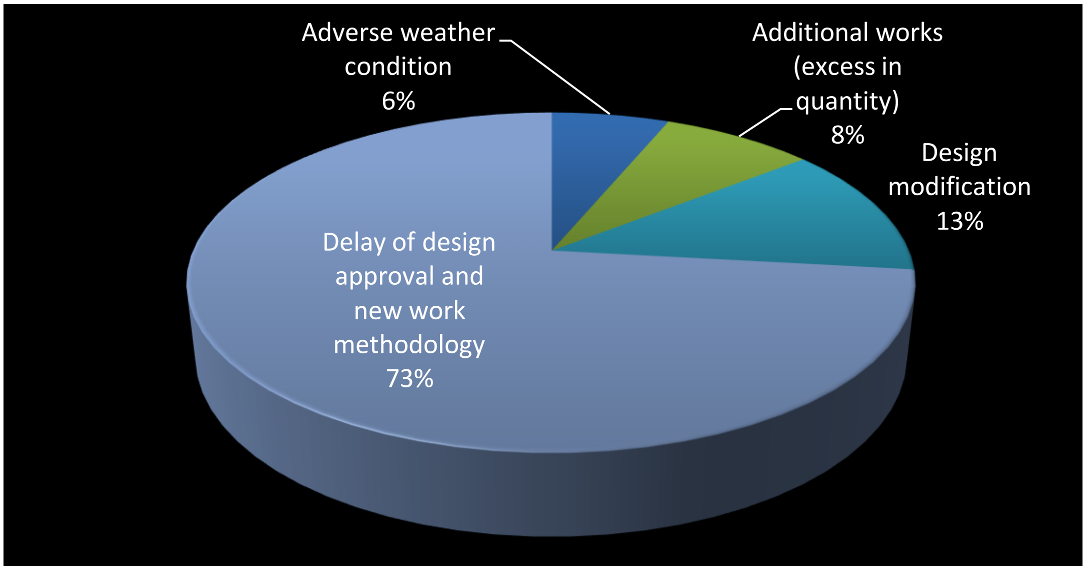


Figure 7: Reasons for changes of contract duration by their contribution

As we can see from the charts and from the approval documents, the major causes for changes in contract duration are the delay for design approvals and introduction of new work methodology. However neither the PE nor the consultant gave the reason why the approvals of most of the design changes took so long to approve, thus the PE should check and review the approval process for change orders that the consultant and the PE are following as it might be incurring more cost on the PE. However, the above chart indicates the data that the PE presented only, as we have seen repeatedly it might have been different if most of the conditions that were raised in the previous chapters were considered.

Generally, in the absence of some of the documents of the project and according to the available documents one can only give a generalized suggestion that will caution the PE, for future use, to re-asses its evaluation process for time extension approvals in detail.

6.2.3.3. ISSUES RELATED TO CONTRACT SCOPE

As indicated previously the scope of the construction contract of this project was the construction and completion of **2B+G+18 building for Federal Supreme Court judges' apartment**.

However, the consultant with a letter dated Tikemet 24, 2009 (November 3, 2016) and Ref No ACHO/764/2016 had informed the contractor that "the 18th floor on all blocks has become roof terraces with only J-bolts installed for the flexibility of any structure like cloth hangers".

Thus, accordingly the final scope of the contract might have changed into construction of **2B+G+17 building for Federal Supreme Court judges' Apartment**.

As indicated earlier, there is no document that shows why the PE changed the 18th floor to roof terraces.

7. CONCLUSION AND RECOMMENDATION

7.1. Conclusion

Findings of the assurance process

- The average rate of disclosure is computed to be 48.7 percent. 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.

- **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.

  Furthermore, 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 The PE should 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 documents for design, supervision and contract administration, contracts are not adequately available; it is very hard to give further comment. As mentioned above it is strongly advised to collect, compile, preserve and make available all the required documents for design, Supervision and contract administration when requested.

- **Construction contract**

  Procurement information

  There is no document available that shows if the bid announcement was posted on the PPPA's website or other websites. Therefore, in the future, it is advisable to post the advertisement on the PPPA's website and use other opportunities so as to get large number of bid participants and for **International competitive bidding it is advisable to use foreign language newspapers** that are accessible to international bidders.

  It is not clear if The PE did use Bid opening manual and other manuals during the bid process. Thus during bid process, it is recommended to use "Manuals for Minutes on the public opening of bids" which are available in the Public Procurement Manual, December 2011 appendix 8.4 during bid opening so as to properly record the necessary information and then keep it for the length of time required.

- Making the procurement process, as far as possible, **efficient, and short** will enable the PE produce positive results immediately. There is a long period of time (218 days from bid opening day) between the opening date and the award date of the contract to the successful bidder. However, it is clear that, to have efficient procurement process it is good to avoid such type of delays. Taking vary long time **will also cast doubts on the bid evaluation process and cause unnecessary inconveniencies on the participants**. Thus, it is recommended to reduce the gap and try to respect the recommended estimated procurement lead times, which are indicated in Public Procurement Manual, December 2011.

- An event where a bidder, with a written letter, had asked the PE to use the bidder's submitted original technical document instead of the copies for technical evaluation as "the copy is not properly stacked" had occurred in the evaluation stage. This event may put the confidentiality of the evaluation process in to question as it may show that a bidder had information about the evaluation process.

    1. Thus, it is advisable to keep **the evaluation process confidential and information should not be disclosed** to any person or bidder not officially concerned with the process.

    2. Furthermore, in the procurement directive under **Duties and Responsibilities of a Procurement Unit** number 12 states that the Procurement Unit shall have the specific responsibility to

    "Make sure that copies of bid documents are delivered to members of bid evaluation committee and that the original bid documents are kept securely for reference."

Thus, the committee should have protected the original doc for future reference.

- There is no document presented which shows if all bidders were made aware of the technical evaluation result in writing and if the letter included information that shows that bidders have the right to present their complaint to the head of the Public Body with in 5working days. Furthermore, there are no documents that show if the 5 days gap between the result announcement and the opening of the financial documents and then the signing of the contract was respected.

    According to procurement directives clause 45.2

    ……….. In a bid in which bidders are required to submit technical and financial proposals in two separate envelopes:-

    a) The Public Body shall communicate the result of the technical evaluation in writing to all bidders at the same time.

    b) The Public Body shall indicate in the letter in which it discloses the result of the technical evaluation to each bidder that any bidder claiming that the technical evaluation has not been conducted in conformity with the proclamation, this directive or the bidding document has the right to present his complaint to the head of the Public Body with in 5working days of being notified of the result.

- There is no document presented that shows if there was an Engineer's estimate for the projects so as to compare the award price with. It is at least a good practice to have an Engineer's estimate so as to be able to compare it to the award price and avoid ambiguity.

- 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 might have 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, might have incurred the PE more cost.

- The PE may have 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 545 days for time extension, which might not be compensable.

- Administering the construction contract lacked:

  - 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. The absence of such complete program may 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.
  - Properly reviewed and approved time extension requests that are calculated with respect to the baseline and regularly updated and approved programs. That might have helped the PE to evaluate and approve the actual and more accurate time extensions for the project, and the extent and the cause of delay of the completion.

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.
- The original document for Section 2 and 3 of bid documents.
- Document or print out showing if the bid announcement was released on the PPPA web site.
- 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 January 2019.
- Construction progress reports (detail reports) of the consultant for 3rd,6th ,9th,12th 18th months.
- accidents record (accident and death)

Recommendations?

8. 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 prvisions 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" 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.

“TOR” mean Terms of Reference

“VAT” mean Value Added Tax

“Bid validity period,” mean the period specified in the Bidding Document, where the submitted Bid shall remain valid (i.e. open for acceptance).

9. Annex

Annex 1: Infrastructure Data Standard (IDS)

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION

PHASE		ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION	1	Date of disclosure	Mar-19	Mar-19	Mar-19
	2	Contract title	2B+G+18 Apartment buildings for federal Supreme Court judges.	2B+(G+12) Apartment buildings for federal Supreme Court judges.	2B+(G+12) Apartment buildings for federal Supreme Court judges.
	3	Location	Addis Ababa, Ethiopia		
	4	Procuring entity	FDRE, Ministry of Urban Development, Housing & Construction: Government Office Buildings Construction and Management Bureau		
	5	Source for further information			
	6	Date of procurement notice	17/04/2007 (26/12/2014 G.C)	Not Available	Not Available
	7	Floating period of the procurement notice	56 days	Not Available	Not Available
	8	Media used for procurement notice	Addis Zemen Newspaper	Not Available	Not Available
	9	Method of Procurement	Open tender	Not Available	Not Available
	10	Type of Procurement	International competitive Bid	Not Available	Not Available
	11	Procurement Procedure	Open national tender procedure	Not Available	Not Available
	12	Evaluation criteria	(Technical and financial evaluation) Two Envelopes	Not Available	Not Available
	13	Type of contract & project delivery method	Admeasurements Contract	Not Available	Not Available
	14	Type and Amount of bid security	Bank security/500,000 ETB/	Not Available	Not Available
	15	Content of any complaint lodged	Not Available	Not Available	Not Available
	16	Engineer's estimate	Not Available	Not Available	Not Available
	17	Date of bid opening	02/07/2007 (11/03/2015 G.C.)	Not Available	Not Available

	18	Number of bidders: Participated, rejected and declined to submit	7//4//15	Not Available	Not Available
	19	Awarded firm/contracting firm	Tekleberhan Ambaye Construction PLC	Afri Consult Consulting Architects and Engineers P.L.C	
	20	Date of contract award		17/08/2006 (25/04/2014)	
	21	Awarded price/contract price	918,278,530.00 Birr (31,680,609.29 USD)	772,800.00 Birr (26,661.60 USD)	23,000.00 Birr (793.50 USD) per month
	22	Unit Contract price			
	23	Contract security type and amount	Bond/ 91,827,853.01	Not Available	Not Available
	24	Date of contract signing	18/01/2008 E.C (September 29, 2015)	01/09/2006 E.C (May 09/2014)	
	25	Contract scope	2B+G+18 Apartment buildings for federal Supreme Court judges.	2B+(G+12) Apartment buildings for federal Supreme Court judges.	
	26	Description of contract & Contract components	2B+G+18 Apartment buildings for federal Supreme Court judges. (Lot 1&2)	Architectural and Engineering design and soil investigation	Supervision
	27	Contract Administration entity	Afri Consult Consulting Architects and Engineers PLC	Not Available	Not Available
	28	Contract duration	575 Calendar Days	60	Not Available
	29	Contract start date	05/04/2008 (15/12/2015).	Not Available	Not Available
	30	Intended Completion date	27/11/2009 E.C (August 03, 2017 G.C	Not Available	Not Available
		Completeness	25/29	11/29	10/29
		percentage	86%	38%	34%

PHASE		CONTRACT INFORMATION	CONSTRUCTION CONTRACT	DESIGN CONTRACT	SUPERVISION CONTRACT
CONTRACT IMPLEMENTATION	1	Contract status (ongoing (% progress), terminated , completed)	Ongoing	Completed	Ongoing
	2	Completion date (Actual)	Not completed	Not Available	Not completed
	3	Changes to contract duration with reason	545 calendar days	Not Available	Not Available
	4	Amount of liquidated damage If applied (penalty for delay)	Not Available	Not Available	Not Available
	5	Contract price (Actual)	Not Applicable	Not Available	Not Applicable
	6	Changes to contract price with reason	32,209,182.61 (1,111,216.80 USD)	Not Available	Not Available
	7	Scope to completion	2B+G+18 building for Federal supreme court judges' apartment	2B+G+12 building for Federal supreme court judges' apartment	
	8	Changes to contract scope with reason	2B+G+17 building for Federal supreme court judges' apartment.	2B+G+18 building for Federal supreme court judges' apartment	2B+G+17 building for Federal supreme court judges' apartment.
	9	Total payment effected	589,216,138.79 (20,327,956.79 USD)	Not Available	Not Available
	10	Warranty type and description	Performance bond	Not Available	Not Available
	11	Details of termination if applied	Not Applied	Not Available	Not Applied
	12	Safety Measures (accident & death)	Not Available	Not Available	Not Available
	13	Quality of work (very good, good, inferior, impossible to comment)	Not Applicable	Not Applicable	Not Applicable
	14	Disputed issues & award details	Not Available	Not Available	Not Available
		Completeness	9/12	3/13	5/12
		percentage	75%	23%	41%

PROJECT PHASE		PROJECT INFORMATION	
PRELIMINARY PROJECT INFORMATION	1	Date of disclosure	January 30 /2019
	2	Project owner	Government Office Buildings Construction and Management Bureau
	3	Project name	Construction of 2B+G+18 Apartment buildings for federal Supreme Court judges. (Lot 1&2)
	4	Sector, Subsector	Building
	5	Source for further information	**Not Available**
	6	Project Location	Addis Ababa, Ethiopia, Bole Sub-city, Woreda 05 around Megenagna area.
	7	Purpose	Apartment buildings for federal Supreme Court judges
	8	Project description	**Design, supervision and contract administration, and** Construction of Apartment buildings for federal Supreme Court judges (Lot 1&2)
	9	Original Project Scope	Construction of 2B+G+12 Apartment buildings for federal Supreme Court judges. (Lot 1&2)
	10	Project components	Design service /supervision and contract Administration /Works
	11	Environmental Impact	**Not Available**
	12	Land and settlement impact	**Not Available**
	13	Estimated budget of the project with breakdown of components	**Not Available**
	14	Funding sources	The government of the federal republic of Ethiopia
	15	Project budget approval date	**Not Available**
	16	Project start date (planed, actual)	**Not Available**
	17	Planed / Original duration for completing the whole project	**Not Available**
	18	Planed / Original cost of the project	**Not Available**

PROJECT PHASE		PROJECT INFORMATION	DESCRIPTION
PROJECT INFORMATION AT COMPLETION	19	Cost of the project at completion.	**Not Available**
	20	Changes of project cost with reason	**Not Available**
	21	Project completion date (Revised, projected, actual)	**Not Available**
	22	Actual duration for completing the whole project	**Not Available**
	23	Changes of project duration with reason	**Not Available**
	24	Project Scope at completion	**Not Available**
	25	changes of project scope with reason	**Not Available**
	26	Reference to documents for disclosure upon request (reactive disclosure)	**Not Available**
		Completeness	**10/26**
		percentage	**38%**

Construction of Conference Hall for Ministry of Foreign Affairs

OCTOBER 2019

ASSURANCE PROFESSIONAL: DEMELASH BETEMARIYAM
Addis Ababa, Ethiopia

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LIST OF ACRONYMS/ ABBREVIATION

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

MoFA- Ministry of Foreign Affairs

MPI - Materials Project Information

MUDCo - Ministry of Urban Development and Construction

NMSGEC - National Multi-Stakeholder Group Executive Committee

PE - Procuring Entity

PLC - Private Limited Company

PPPAA -Public Procurement and Property Administration Agency

RAP - Resettlement Action Plan

RFP - Request for Proposal

VAT - Value Added Tax

1. Executive summary

The aim of Infrastructure Transparency Initiative (CoST) is to enhance the transparency of the procuring entities (PEs), consultants and construction companies. This will be done by disclosing project information to the public using standard template at all stages of the procurement cycle. The process includes both the service and construction contract.

CoST-Ethiopia plays a role in awareness creation, training, mentorship and follow-up in proactive and reactive disclosure of project information by procuring entities in the Federal Public Procurement and Property Administration Agency (FPPA) website. Based on this, CoST-Ethiopia agrees with the Federal Government Building Construction Project Office (FGBCPO) for the reactive disclosure of Conference Hall Building Facilities project for Ministry of Foreign Affairs (MoFA). Site visit and data collection of the aforementioned project was made on March 04, 2019. By then the construction was already completed. The assessment work was conducted on the following two consultancy services and one work contract:

1) SERVICE CONTRACT 1: Consultancy services for feasibility study, planning, designing and tender document preparation which was handled by Mulugeta Asefaw Consulting Architects & Engineers PLC;
2) SERVICE CONTRACT 2: Consultancy services for design review, construction supervision and contract administration which was handled by Mulugeta Asefaw Consulting Architects & Engineers PLC; and
3) WORK CONTRACT: Construction Works of Conference Hall Building project handled by RAMA Construction PLC.

The scope of the assignment was construction of a conference hall for the Ministry of Foreign Affairs. The Government of Ethiopia allocated the budget for the full project.

As has been mentioned above, the construction process involved two consultancy services and one work contract, and the Assurance Professional (AP) carried out the assessment work for which the Procuring Entity (PE) provided clarifications and explanations.

a) Procurement process of service contract I

Major documents that are important to understand tender and procurement processes such as: advertising; type of invitation; number of consultants who have shown interest to participate and those who have submitted technical proposals; the minimum requirements for technical evaluations; minutes of selection process; and award letters are not availed by the PE, who is Ministry of Urban Development and Construction (MUDCo). Absence of such documents created difficulty for the Assurance Professional (AP) in properly assessing the procurement process of service contract I.

b) Procurement process of service contract II

As far as service contract II is concerned, major documents that are important to understand tender and procurement processes such as: advertising newsletter; registration list for purchase and submission of tender documents; evaluation criteria and results; tender evaluation report as well as technical and financial results are not availed by the PE. The only available document is a contract agreement signed between the consultant and the client. In this respect, the incompleteness of the procurement documents creates difficulty for the Assurance Professional in properly assessing the procurement process of service contract II.

c) Procurement process of work contract for the construction of conference hall building

RAMA Construction PLC was directly selected for the work contract. Here also, there is no document that shows the selection process and the only available document is the contract agreement. Thus, this makes the procurement documents of work contract incomplete.

d) Implementation of service contract I and II

Primarily the design and tender document preparation period of Service Contract I was five months (from 8/11/1996 up to 31/3/1997) but it was extended by six months up to 9/10/1997 (Figure 1).

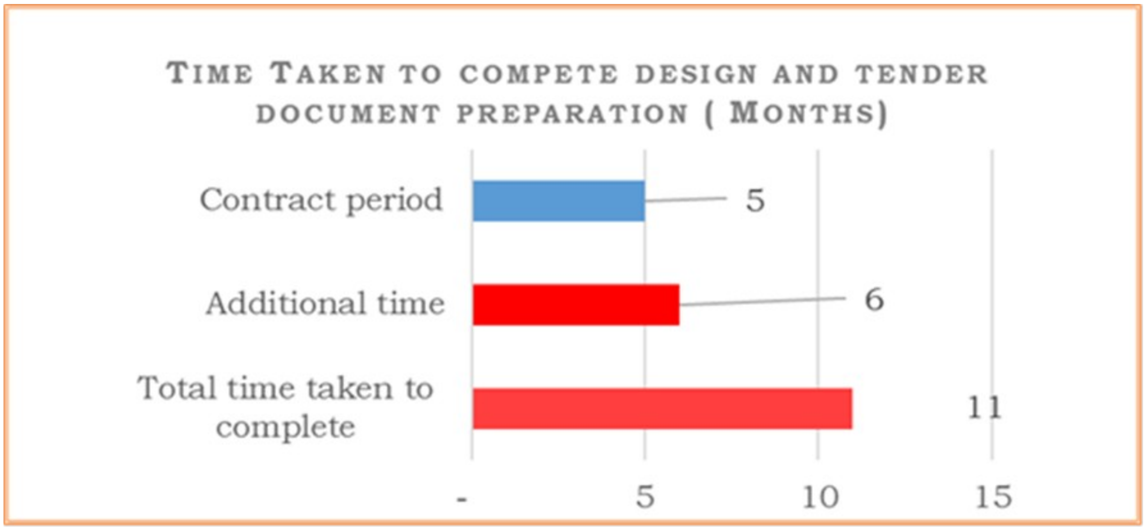

Figure 1. Time taken to complete design and tender document preparation

During the assurance period, it was learnt that 32 months were elapsed beyond the original contract period, but no document was presented by the PE that justifies the extension. This significant time delay is mainly due to delay in construction works (Figure 2). Payments effected for design review, contract administration and supervision are shown in Figure 3.

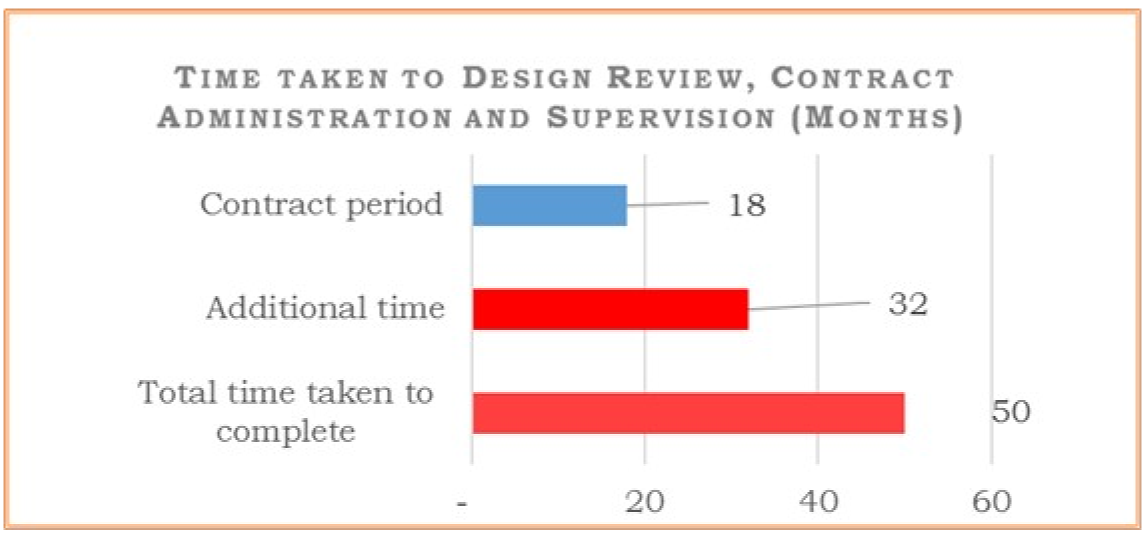

Figure 2. Design review of contract administration and supervision (in months)

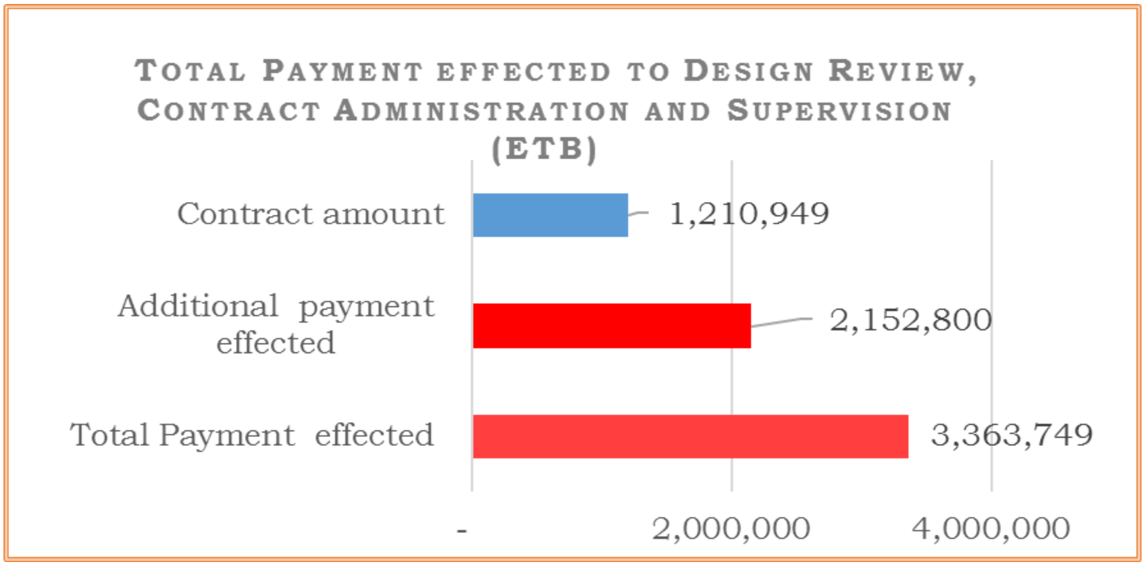

Figure 3. Payments effected for design review, contract administration and supervision

e) Implementation of Work Contract

Despite elapse of extra 36 months in the execution of the assignment, there was not change in the contract scope. In fact, such significant time extension deserves supplementary agreement by justifying why additional time was needed for the given assignment. In this regard, the total time overrun was 36 months and the total construction cost overrun ETB 57,880,122.09 (USD 2,003,465.63), including 15% VAT (Figures 4 and 5).

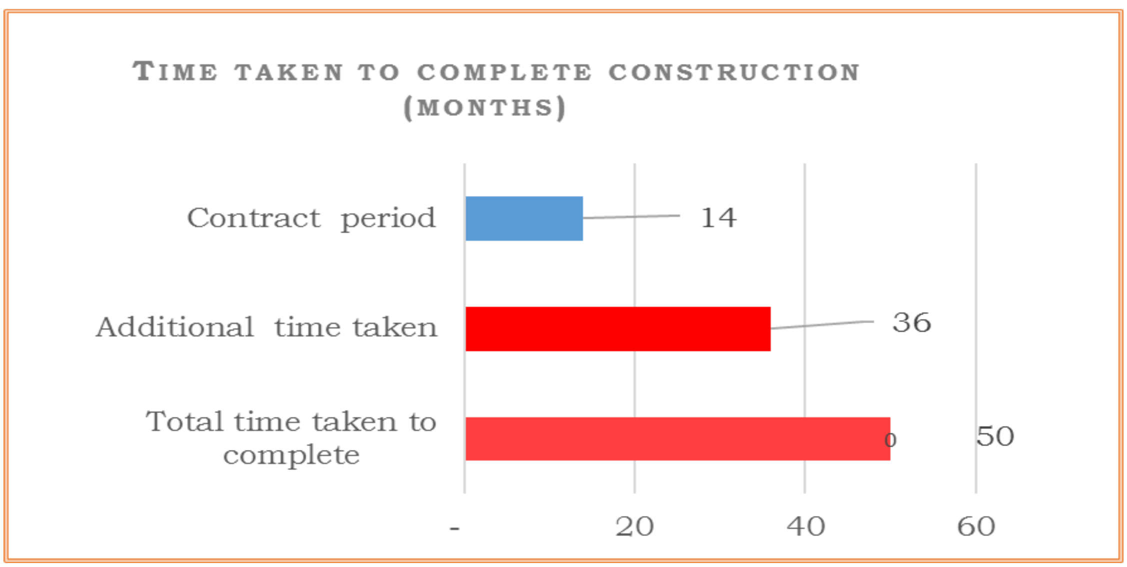

Figure 4. Total time needed to complete the construction

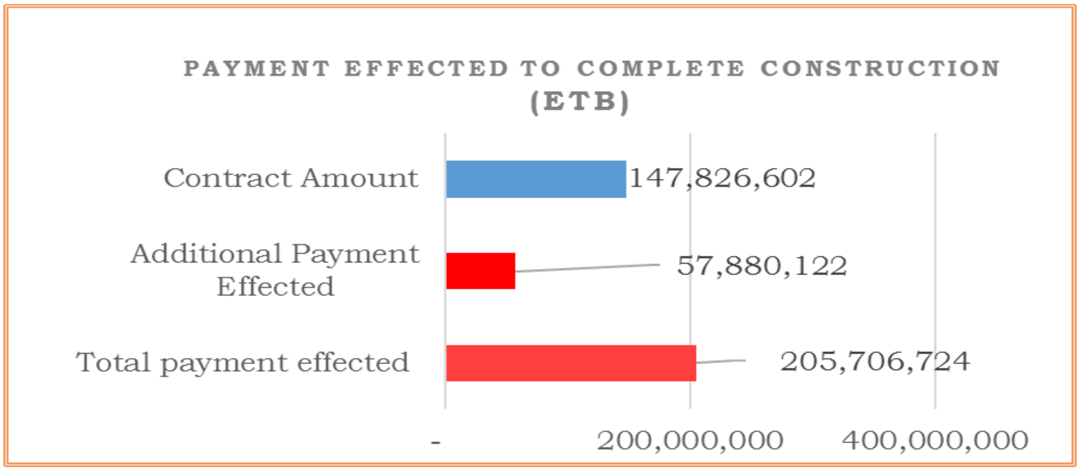

Figure 5. Total payment effected to complete construction

f) Conclusion

During the assurance period the AP tries to get all the necessary procurement documents in cooperation with the responsible person of the PE, but the only available documents are contract agreement for service contract II and work contracts. As far as the procurement processes for the consultancy service is concerned, the only document available was a design competition where five consultant competed and Mulugeta Asfaw Consulting Architects & Engineers PLC has won the competition but there is no any document about the invitation processes. No document is available that shows the selection process of the Contractor. Following are findings of the assurance process.

- Cost overrun has been encountered in both design review, contract administration and construction supervision (177.8%) and construction (39.15%).
- Time overrun has been encountered in both design review, contract administration and construction supervision (177.7%) and construction (257 %).
- The client (MoFA) is highly dissatisfied by the project delay.
- Tender process transparency is very poor.
- Document management/handling is very poor, especially the procurement processes.
- Design document is very poor, very shallow study and design. There have been significant supplementary agreement and variation during the construction period

Note: Currency exchange Rate used is the rate at the time of report submission and it is 1$ USD =28.89 ETB

2. Introduction

The construction sector have the lion share in supporting social and economic development of the country and as the result it has been making major contribution to the overall economic growth and poverty reduction of the nation. However, studies indicate that mismanagement and corruption during planning and implementation of construction projects have become bottlenecks in attaining the desired socio-economic benefits and hence changes in the living standard of the wider public.

This assurance report consists of six chapters. Chapter one deals with executive summary, chapter two covers the introduction part, chapter three addresses the disclosure of project information, chapter four covers disclosure of procurement and contract information for service contract, chapter five looks into disclosure of procurement and contract information for work contract and finally chapter six deals with conclusion and recommendation.

Infrastructure Transparency Initiative (CoST) is a multi-stakeholder initiative established with the objective of ensuring transparency and accountability in the construction sector. The objective of CoST is to enhance the transparency of the Procuring Entity (PE) and construction companies by disclosing to the public information of the construction projects at all stages of the procurement cycle, from initial identification of the project to completion. The transparency and accountability in public construction sector benefits the national as well as international contractors and consultants, and this makes the procurement process more competitive.

The National Multi-Stakeholder Group Executive Committee (NMSG - EC) of CoST-Ethiopia has identified a number of projects associated with building, water, road construction, etc. The assurance professional prepares this report covering the procurement process and contract administration for the construction of a Conference Hall for MoFA.

Ethiopian government is constructing a number of infrastructures, amongst which is construction of a conference hall of the MoFA.

2.1 Objectives of the assurance process

The Procuring Entity (PE) is required to release information on the selected projects. In order to ensure the authenticity and acceptability of the information released by the PE, it has to be analyzed and verified by the Assurance Professional (AP) who is appointed by the National Multi-Stakeholder Group Executive Committee.

The objective of the assignment is to evaluate the process undertaken by the PE and the level of transparency and governance of the on-going or accomplished projects. In this regard, the Assurance Professional has two tasks: collection of information and verifying its completeness and accuracy; and analyzing the disclosed data and presenting it in a way understandable by the wider public. The AP has to verify the source of the reports and the latest version is available by the time of preparation of the report.

2.2 Challenges of the assurance process

The following are among points identified as challenges of the assurance process.

- ✓ The only document available in the PE is the contract agreement;
- ✓ Newly joined professionals of the project office have little information about advertisement and the award process of both the consultancy and work contract;
- ✓ Documents pertaining to the project are not properly handled;
- ✓ Because of absence of all the necessary documents, it is not possible to understand how the design consultant has been selected. Here the PE tipped that the selection process has been done merely based on previous performances of the firms.

3. Disclosure of project information

3.1 Project overview

The Ministry of Foreign Affairs Conference Hall Construction project is disclosed under the *DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS) and DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS*) attached in Annex 3 and 4.

The cconference hall project is fully completed during the assurance period. Here the name of the company who prepared detailed engineering design works and the tender document is not mentioned. In fact Mulugeta Asefaw Consulting Architects & Engineers PLC managed the design review, supervision and contract administration. The Federal Democratic Republic of Ethiopia, represented by the Federal Government Building Construction Project Office (FGBCPO) and the Ministry of Urban Development and Construction (MUDCo) had allocated sufficient budget for the service and work contracts which form part of the implementation process of the project of which the important features are given in Table 1.

Table 1: Project description

No	Project identification	Description
1	Project name	Ministry of Foreign Affairs Conference Hall Building Construction Project
2	Project scope	Construction of conference hall building
3	Project purpose	To undertake construction of a building with various conference and office facilities
4	Undesired impacts of the project	There is not as such significant impact during construction, but due to construction delay, unnecessary expenses for demolishing, cost due to delay and materials price escalation.
5	Source of funding	The Government of Ethiopia
6	Original project cost	✓ Service contract I Not Known ✓ Service contract II for design review, contract administration and supervision 1,210,949.59 ETB including VAT 15% for 18 months. Payment effected including VAT 15% in ETB (USD) ➢ Work contract I 147,826,601.65 (5,116,877.87) ➢ Variation order No 1 11,316,360.82 (391,705.12) ➢ Net addition omission 12,333,520.40 (426,913.13) ➢ Supplementary agreement 1 6,235,887.32 (215,849.34) ➢ Supplementary agreement 2 3,682,869.74 (127,479.05) ➢ Supplementary agreement 3 1,154,941.99 (39,977.22) ➢ Supplementary agreement 4 4,688,757.00 (162,296.88) ➢ Supplementary agreement 5 1,957,267.41 (67,748.96) ➢ Supplementary agreement 6 16,510,517.41 (571,495.93) ➢ Contract amount 147,826,601.65 (5,116,877.87) ➢ Additional cost 57,880,122.09 (2,003,465.63) ➢ Total Project Cost 205,706,723.74 (7,120,343.5)
7	Original project	✓ Service contract I 5 Months but Total time taken to complete design and tender document preparation. ✓ Service contract II 18 months

	duration	✓ Work contract 426 days/14 months ➢ Main contract duration 426 Calendar Days ➢ Time Extension No 1 138 Calendar Days ➢ Time Extension No 2 237 Calendar Days ➢ Time Extension No 3 304 Calendar Days ➢ Time Extension No 4 180 Calendar Days ➢ Time Extension No 5 220 Calendar Days ➢ **Total time taken to complete construction of Conference hall building is 50 months.** ➢ **Additional time require to complete construction of conference hall building 36 months.**

3.2 Scope of the project

The scope of the project is to undertake construction of Conference Hall for the Ministry of Foreign Affairs within 426 calendar days after the signing of the contract agreement. The project includes, among other things, the following activities:

- ✓ Design and tender document preparation by Mulugeta Asfaw Consulting Architects and Engineers PLC;
- ✓ Design Review, Supervision and Contract Administration by Mulugeta Asfaw Consulting Architects and Engineers PLC;
- ✓ Construction by RAMA Construction PLC.

Mulugeta Asfaw Consulting Architects and Engineers PLC was in charge of undertaking the consultancy service in design review, supervision and contract administration; and the consultancy service period was 18 months. The consultant has not completed his duty and responsibility within the given time frame due to contractor’s delay. The time of the consultancy depends on the time required to complete the construction of the conference hall building.

3.3 Socio-economic benefits of the project

The project could have positive socio-economic impacts in many respects. In the first place it solves the conference hall problem of MoFA and other institutions too. The other impact is that the project could create temporary and permanent employment opportunities for residences of the city. 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 managing and operating the conference hall service.

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 construction period because some construction materials, in the form of cart away, could be dumped around the dumping site which may adversely affect the environment resulting in siltation on rivers and streams during rainy seasons. On the other hand dust from construction sites might have adversely affect the environment and hence the community during the construction period.

3.5 Sources of funding and project cost

The Government of Ethiopia has earmarked the fund for project. The total payment effected to complete the construction is ETB 205,706,723.74 Including 15% VAT (USD 7,120.343.5).

3.6 Project duration

Construction of the conference hall was started on December10, 2012 and it was originally planned to be completed on February 9, 2014. However, the actual completion date became on September 15, 2017. Here are some of the indications as far as the schedule of construction is concerned:

- Work contract 426 days (about 14 months);
- Total time taken to complete construction of the conference hall building is 1505 calendar days (50 months);
- Additional time required to complete construction of the conference hall building was 1079 calendar days (36 months);
- The project was therefore delayed by about 36 months, which is equivalent to 257% of time extension. This delay causes unnecessary payment for the consultant, in addition to creating dissatisfaction on the client’s interest.

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 necessary documents that inform about the procurement processes of the consultancy services for the construction of the aforementioned conference hall are not available. Even though MUDCo tries to find out some of the procurement documents, due to poor documentation all the necessary documents were not available.

Primarily service contract I was signed for design and tender document preparation, while service contract II was on design review, contract administration and supervision. The agreement was signed for 18 months, but in actual fact the consultancy service was completed in September 2017 until provisional acceptance was done.

4.1.2 Verification of the disclosed procurement information

4.1.2.1 Completeness of the disclosed procurement information

During the provision of service contracts I and II, there is no any document that testifies the selection criteria, the number of participants, the offered price by the consultant, type of invitation, minutes and award letters as well as the number of consultants rejected along with justifications. The service contract information is incomplete. The only available document is the contract agreement of service contract I. 18.6 % of procurement related information, 62.8 % of design review, supervision and contract administration related information, and 84.6% of general project information are availed by the PE. This makes the average rate of disclosure of procurement information for consultancy service 50 %. The details are shown in the Annexs.

Absence of such documents adversely affected:

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

4.2 Disclosure of contract information

4.2.1 Overview of the contract

The contract services are of two types, Contract Services I on design and tender document preparation and Contract Services II on design review, supervision and contract administration. The only available document is the one that deals with the contract period. Other documents such as the invitation, number of consultants who showed interest to involve in the bid are not available. For Services Contract II the only available document is the contract agreement. In the contract document, the total service cost and the service duration are indicated.

4.2.2 Verification of the disclosed contract information

During the assurance process, verification work has been done to validate the completeness and accuracy of the disclosed contract information. The PE disclosed the contract information in the contract agreement which was done between the Ministry of Urban Development and Construction and Mulugeta Asfaw Consulting Architects and Engineers PLC. The agreement was signed on June 5, 2012 for 18 months period.

4.2.3 Analysis of the disclosed contract information

The analysis of the disclosed contract information and the subsequent interpretation in terms of the changes and justifications of changes observed in connection to the contract price duration and scope are stated below.

4.2.3.1 Issues related to contract price

There is no change in the contract price for consultancy services as compared with the original contract price.

4.2.3.2 Issues related to the contract duration

The duration for consultancy service which was signed on June 5, 2012 was supposed to last up to February 4, 2014 for 18 months. But the consultancy service was provided until provisional acceptance was given on September 2017 and as the result of this the contract was extended by 32 months. The time extension incurred additional cost of ETB 2,152,800.00 (USD 74,517.13) including 15% VAT.

4.2.3.3 Issues related to contract scope

The contract scope was not changed even though the construction period was significantly delayed and no justification was given for that by the PE.

5. Disclosure of procurement and contract information for construction work

5.1 Disclosures of procurement information

5.1.1. Overview of the procurement process

There is no any information about the procurement process of the contractor for the construction work, the only available document presented by the PE is the contract agreement.

5.1.2 Verification of the Disclosed Procurement Information

During the assurance process, verification work has been carried out to validate the completeness and accuracy of the disclosed contract information. The necessary documents on procurement issues are not available by the PE. This challenged the attempt made to see the completeness and accuracy of the disclosed procurement information. Due to unavailability of information, it was not possible to see:

- accuracy of the disclosed procurement information;
- analysis of the disclosed procurement information specifically
  - ✓ 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 tender evaluation process;
  - ✓ objectivity of tender evaluation and the award criteria; and
  - ✓ competitiveness of the award price.

5.2 Disclosure of contract information

5.2.1 Overview of the contract

The original contracts were signed between Ministry of Urban Development and Construction and RAMA Construction PLC as stated below:

Contract amount	**ETB 147,826,601.65 (USD 5,116,877.87) including VAT 15%**
Additional cost	**ETB 57,880,122.09 (USD 2,003,465.63) including VAT 15%**
Total Project Cost	**ETB 205,706,723.74 (USD 7,120,343.50) including VAT 15%**

During the assurance period the construction was complete. Provisional acceptance was made in September 2017. The root causes for protraction of final acceptance was delay of internal facilities and furniture such as lift, chairs, tables, etc. which were to be imported.

5.2.2 Verification of the Disclosed works Contract information

5.2.2.1 Completeness of the disclosed works contract information

The contract information is not available with the required degree during the assurance period. The only available document is the contract document. For works contract, 65.1 % of the contract, and 84.6 % of general information are availed. This makes the average rate of disclosure of works contract information 73%. Summing all the available information and comparing with the required, makes the aggregate (total) rate of disclosure 58.7 %.

5.2.2.2 Accuracy of the disclosed contract information

For the available pieces of information, accuracy is verified by checking against source documents.

5.2.3 Analysis of the disclosed contract information

5.2.3.1 Issues related to contract price

There is no change in the contract unit price as compared to the original contract even though extension of time is encountered

5.2.3.2 Issues related to the contract duration

The contract period for construction of the hall is delayed by almost 30 months. It is learnt during the assurance period that the PE accepted and approved the requests for time extension. The following is list of segments of time for the project:

- ✓ Work contract 426 days/14 months
- ➢ Main contract duration 426 Calendar Days
- ➢ Time Extension No 1 138 Calendar Days
- ➢ Time Extension No 2 237 Calendar Days
- ➢ Time Extension No 3 304 Calendar Days
- ➢ Time Extension No 4 180 Calendar Days
- ➢ Time Extension No 5 220 Calendar Days
- ➢ Total time taken to complete construction of the conference hall building is 1505 Calendar Days

- Additional time required to complete construction of the conference hall building is 1079 Calendar Days.

5.2.3.3 Issues related to contract scope

The contract scope was changed during the construction period. The Client took out items such as lift, conference chairs and tables from the original contract and entered into a contract with a new supplier.

6. Conclusion and Recommendation

6.1 Conclusion

The following are the main findings.

- ✓ The construction period is delayed by 30 months.
- ✓ Time extension of 1079 calendar days for construction purpose was approved by the PE.
- ✓ The aggregate rate of disclosure is 58.7 %

The main contract amount was **147,826,601.65 (USD 5,116,877.89) including VAT 15%** and additional cost was included amounting to **57,880,122.09 (USD 2,003,465.63) including VAT 15%**; and thus the total project cost has become **205,706,723.74 (USD 7,120,343.5) including VAT 15%**.

6.2 Issues Recommended for further review

The procurement procedure requires further consideration as no information could be obtained on it.

Annexes

Annex 1. DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)

	DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)			
Phase	**Item of disclosure**	**Construction**	**Design**	**Supervision**
Procurement information (30 Items)	Contract title	Construction of conference Hall building	Design and tender document preparation	Design review, supervision and contract administration.
	Location	Addis Ababa	Addis Ababa	Addis Ababa
	Procuring entity	Under Ministry of urban development and construction, (Federal government building construction and administration Bureau)	Under Ministry of urban development and construction, (Federal government building construction and administration Bureau)	Under Ministry of urban development and construction, (Federal government building construction and administration Bureau)
	Source for further information	Project office (Federal government building construction and administration Bureau)	Project office (Federal government building construction and administration Bureau)	Project office (Federal government building construction and administration Bureau)
	Date of procurement notice /Invitation date	INA	INA	INA
	Floating period of the procurement notice	INA	INA	INA

	Media used for procurement notice	INA	INA	INA
	Method of procurement	INA	INA	INA
	Type of procurement	INA	INA	INA
	Procurement procedure	INA	INA	INA
	Evaluation criteria	INA	INA	INA
	Type of contract and project delivery method	Admeasurement	INA	Monthly payment for design review, supervision and contract administration in respective of contract amount
	Type and amount of bid security	INA	INA	INA
	Content of any complaint lodged	INA	INA	INA
	Engineer's estimate	45,108,499.64 (USD 1,561,388) ETB including VAT 15%	INA	INA
	Date of bid opening	INA	INA	INA
	Number of bidders: participated, rejected and declined to submit	INA	INA	INA

	Award firm/ contracting firm	RAMA construction PLC	Mulugeta Asefaw Consulting Architects & Engineering PLC	Mulugeta Asefaw Consulting Architects & Engineering PLC.
	Date of contract award / Acceptance date	INA	INA	INA
	Award price/original contract price in ETB	The main contract amount is ETB 147,826,601.65 (USD 5,116,877.86) including VAT 15%	INA	Contract amount ETB ETB 1,210,949.59 (USD 41,915.87) including 15% VAT. Monthly fee ETB 67,275.00 (USD 2259.43) Including 15% VAT
	Unit contract price (price /km, price /m2)	Various item and measurement	INA	Not measurable to define in Lump sum and monthly service
	Contract security type and amount	Unconditional	INA	Unconditional
	Date of contract signing	June 2012	INA	5th /June/2012
	Contract scope	Construction of Conference Hall Building within 14 months	INA	Consultancy services in design review, contract administration and supervision for 18 months.

	Description of contract and contract components	Construction of Ministry of Foreign Affairs Conference Hall Building its components Architectural and structural works, electrical works, sanitary works and mechanical works.	INA	Design review, supervision and contract administration
	Contract administration entity	Mulugeta Asefaw Consulting Architects and Engineering PLC.	INA	Federal Government Building Construction Project Office (FGBCPO), Ministry of Urban Development (MUDC
	Contract duration	June /2012 up to Aug 4/2013 (14 Months)	INA	June 5/2012 up to Dec 4/2013 (18 Months)
	Contract start / commencement date	July 2012	INA	July 5/2012
	Intended completion date	Construction completed.	Completed	Completed

Phase	Item of disclosure	Construction	Design	Supervision
Contract implementation (14 items)	Contract status (ongoing % progress) terminated, completed)	Construction completed and starts to give services, the remains are left and conference chairs and tables.	Completed	Completed
	Completion date (revised, projected, actual)	Construction completed and starts to give services, the remains are left and conference chairs and tables.	INA	Completed
	Changes to contract duration with reason	Construction extreme delay due to additional work and incorporating missed item during design, construction materials price escalation, client change interest in conference chair and table	Completed	Construction extreme delay due to additional work and missed item during design , the consultant also still perform its supervision and contract administration
	Amount of liquidate damage is applied (penalty for delay)	Not applied	INA	Penalty not applied

	Contract price (revised, projected, actual)	Original contract not revised	INA	Original contract not revised
	Changes to contract scope with reason	No change in the scope, only without changing the main scope, there are a change of small activity and added missed activity	INA	No change in the scope
	Scope at completion	Total construction duration to complete is 14 months but due to significant variation and time extension the completion period extend additional 30 months	INA	The consultant gives services until construction complete, where provisional acceptance taken.
	Change to contract price with reason	The main contract amount is ETB 147,826,601.65 (USD 5,116,877.87) including VAT 15% and additional cost is ETB 57,880,122.09 (USD 2,003,465.63) including VAT 15%; finally, the Total Project Cost is ETB 205,706,723.74 (USD 7,120,343.5) including VAT 15%. The major reasons for additional cost are variation and supplementary agreement.	INA	No change in contract price
	Total payment effected	Project Cost is ETB 205,706,723.74 (USD 7,120,343.50) including VAT 15%.		ETB 3,363,749.59 (USD 116,433) including 15% VAT
	Warranty type and description	INA	INA	INA

	Details of Termination if applied	Termination not applied	INA	Termination not applied
	Safety measures (accident & death)	INA	INA	INA
	Quality of work (very good, good, inferior, impossible to comment)	Good workmanship	INA	Good consultancy services
	Disputed issues & award details	INA	INA	INA

Annex 2. DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)

DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)		
Preliminary project information (18 Items)	Project owner	Ministry of Urban Development and Construction
	Project name	Ministry of Foreign Affairs Conference Hall Building Construction
	Sector, sub-sector	Conference Hall Building Construction
	Source for further information	Ministry of Urban Development and Construction
	Project Location	Addis Ababa
	Purpose	The Ministry of Foreign Affairs spend significant money to rent different conference room, with this reason and additional rooms demand, the MUDC in behalf of MFA construct the conference hall.
	Project description	Construction of Ministry of Foreign Affairs Conference Building Hall
	Original project scope	Construction of Ministry of Foreign Affairs Conference Building Hall
	Project components	Construction of Conference Hall Building
	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)	Mulugeta Asfaw Consultancy Architects and Engineering PLC ,June 5th 2012 18 months and RAMA construction PLC , June /2012, 14 months
	Planned /Original duration for completing the whole project	Mulugeta Asfaw Consultancy Architects and Engineers PLC Time based contract sign, starting from 5th June,2012 eighteen month contract period RAMA Construction PLC June /2012, admeasured contract
	Planned /Original cost of the project	RAMA Construction PLC Contract amount 147,826,601.65 ETB including VAT 15% Mulugeta Asfaw Consulting Architects and Engineers PLC Contract amount 1, ETB 210, 949. 59 (USD 7,301.82) including 15% VAT. Monthly fee of ETB 67,275.00 (USD 2328.66) Including 15% VAT

	Cost of the project at completion	Project Cost is ETB 205,706,723.74 (USD 7,120,343.5) including VAT 15%.construction cost and ETB 3,363,749.59 (USD 116,433) including 15% VAT consultant cost
	Changes of project cost with reason	Some additional work which need additional time area additional electric lights on waffle slab, Skylight working and Basement floor water proofing , marble copping, external wall finish materials,
	Project completion date (Revised, projected, actual)	There are remaining work which will be install such as chair and table due to delay import.
	Actual duration for completing the whole project	Work contract 426 days/14 months, additional 1079 days, total taken to total calendar days' complete construction is 1505 days

<table>
<tr><td rowspan="6">**Project information at completion (8 Items)**</td><td>Changes of project duration with reason</td><td colspan="2">✓ Relocation pole
✓ Rock excavation work
✓ Interruption due to heavy and extensive rainfall to proceed basement floor slab, perforated pipe work
✓ Absences of perforated pope in the drawing
✓ Xypes water proofing materials as additional work
✓ Additional works Waffle slabs, sheer walls , stairs at the back and front entrances
✓ Design modification in the first slab
✓ Materials delivery from the client side such as cement and rebar
✓ Domes slab modification and clarification for dome,
✓ Dome demolishing and construction
✓ Selection process for selection external wall finish materials
✓ Deference between electro mechanical work in the drawing and actual needs to be install.
✓ Clarification and approval of xypex water proofing for basement floor slab to proceed cement screed and floor finishing works
✓ Long approval clarification and lack of working drawing to proceed skylight for bridge
✓ Basement floor ceiling change from aluminum to plastering
✓ Additional light points and fittings.
✓ New work order in the basement</td></tr>
<tr><td>Project scope at completion</td><td>Completed</td><td>Completed</td></tr>
<tr><td>Changes of project scope with reason</td><td colspan="2">No change at scope, miner activity added and omit</td></tr>
<tr><td>Reference to documents for disclosure upon request (reactive disclosure)</td><td colspan="2">The only reference Contract agreement document and incoming and outgoing letter during construction phase</td></tr>
<tr><td>Contract agreement
Completion report</td><td colspan="2">Project completed and provisional acceptance done at Sep.2017.</td></tr>
</table>

Construction of Conference Hall Support Facilities for Ministry of Foreign Affairs

OCTOBER 2019

ASSURANCE PROFESSIONAL: DEMELASH BETEMARIYAM

Addis Ababa, Ethiopia

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LIST OF ACRONYMS/ ABBREVIATION

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

INA – Information not available

MoFA- Ministry of Foreign Affairs

MPI - Materials Project Information

MUDCo - Ministry of Urban Development and Construction

NMSGEC - National Multi-Stakeholder Group Executive Committee

PE - Procuring Entity

PPPAA -Public Procurement and Property Administration Agency

PLC - Private Limited Company

RAP - Resettlement Action Plan

RFP - Request for Proposal

VAT - Value Added Tax

1. Executive Summary

The aim of Infrastructure Transparency Initiative (CoST) is to enhance the transparency of the procuring entities (PEs), consultants and construction companies. This will be done by disclosing project information to the public using standard template at all stages of the procurement cycle. The process includes both the service and construction contract.

CoST-Ethiopia plays a role in awareness creation, training, mentorship and follow-up in proactive and reactive disclosure of project information by procuring entities in the Federal Public Procurement and Property Administration Agency (FPPA) website. Based on this, CoST-Ethiopia agrees with the Federal Government Building Construction Project Office (FGBCPO) for the reactive disclosure of Conference Hall Building project for Ministry of Foreign Affairs (MoFA). Site visit and data collection of the aforementioned project was made on March 04, 2019. By then the construction was already completed. The assessment work was conducted on the following two consultancy services and one work contract:

1) SERVICE CONTRACT 1: Consultancy services for feasibility study, planning, designing and tender document preparation which was handled by Mulugeta Asefaw Consulting Architects & Engineering PLC;
2) SERVICE CONTRACT 2: Consultancy services for design review, construction supervision and contract administration which was handled by Mulugeta Asefaw Consulting Architects & Engineering PLC;
3) WORK CONTRACT: Construction works of conference hall support facilities project handled by GIGA Construction PLC.

The scope of the assignment was construction of a conference hall supporting facilities for the Ministry of Foreign Affairs. The Government of Ethiopia allocated the budget for the full project.

As has been mentioned above, the construction process involved two consultancy services and one work contract, and the Assurance Professional (AP) carried out the assessment work for which the Procuring Entity (PE) provided clarifications and explanations.

a) Procurement process of service contract I

Major documents which are important to understand tender and procurement processes such as: advertising; type of invitation; number of consultants who have shown interest to participate and those who have submitted technical proposals; the minimum requirements for technical evaluations; minutes of selection process; and the award letters are not available by the PE, who is Ministry of Urban Development and Construction (MUDCo). Absence of such documents created difficulty for the Assurance Professional (AP) in properly assessing the procurement process of service contract I. Primarily the consultant won design and tender document preparation, and was supposed to deliver the assignment within five months from 8/11/1996 up to 31/3/1997. But it was extend until 9/10/1997 and as the result six months were elapsed after the contract period (Figure 1).

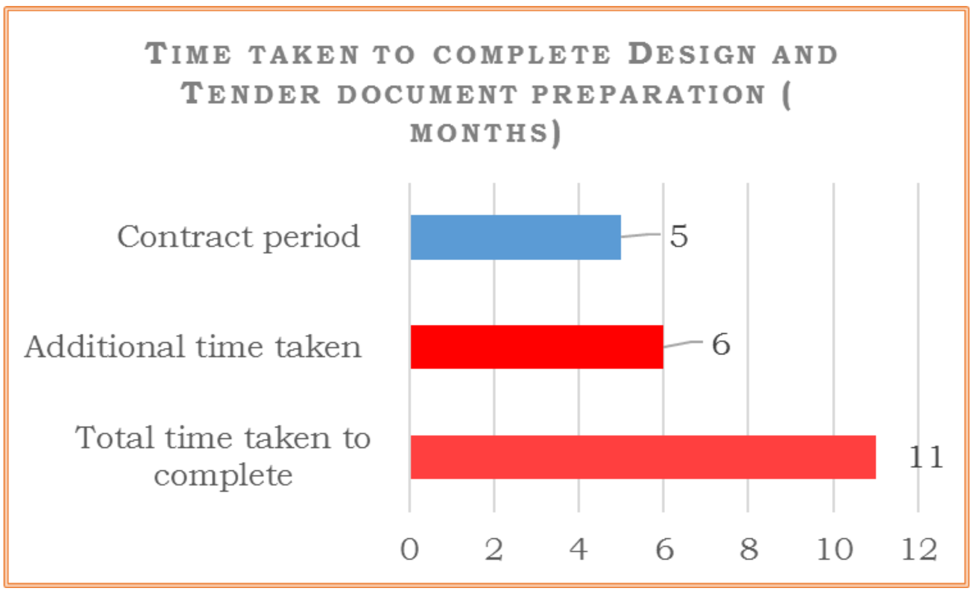

Figure 1. Time taken to Complete Design and Tender Document Preparation

b) Procurement Process of Service Contract II

As far as service contract II is concerned, major documents which are important to understand tender and procurement processes such as: advertising newsletter; registration list for purchase and submission of tender documents; evaluation criteria and results; tender evaluation report as well as technical and financial results are not availed by the PE. The only available document is a contract agreement signed between the consultant and the client. In this respect, the incompleteness of the procurement documents creates difficulty for the Assurance Professional (AP) in properly assessing the procurement process of service contract II.

c) Procurement process of work contract for the construction of conference hall support facilities

GIGA Construction PLC was directly selected for the work contract of the project, based on the experiences and performances of the firm. Here also there is no document that shows the selection process; and the only available document is the contract agreement. Thus, this makes the procurement process of the work contract incomplete.

d) Implementation of service contract I and II

During the assurance period, it was learnt that 54 months (about 300%) for work contract were elapsed beyond the original contract period by GIGA Construction PLC, but no document was presented by the PE that justifies the extension in the scope of the contract period.

The agreement for consultancy services for contract I and II was signed on June 5, 2012. The service contract had a duration of 18 months with contract amount of ETB 1,210, 949.59 (USD 41,915.87), including 15% VAT; and the monthly payment was ETB 67,275.00 (USD 2,328.66) Including 15% VAT. Service contract I was signed for design and tender document preparation, while service contract II was on design review, contract administration and supervision. The agreement was signed on June 5, 2012 with a duration of 18 months but it was delayed by 66 months which is about 366.6% and as the result additional payment of amount ETB 4,440,150.0 (USD 153,691.7) was effected as the payment modality was time based (Figures 2 and 3).

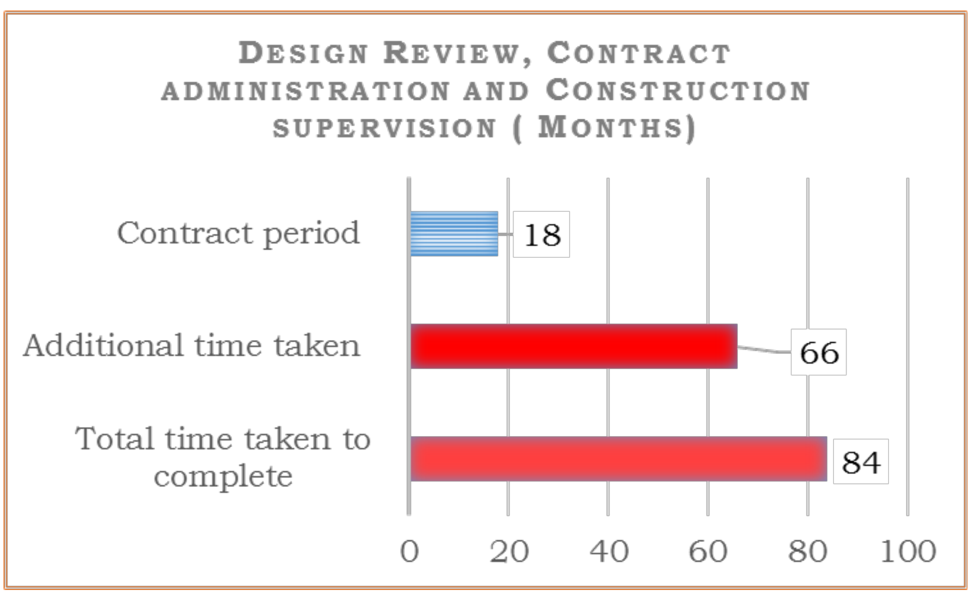

Figure 2. Design Review, Contract Administration and Construction Supervision times in months

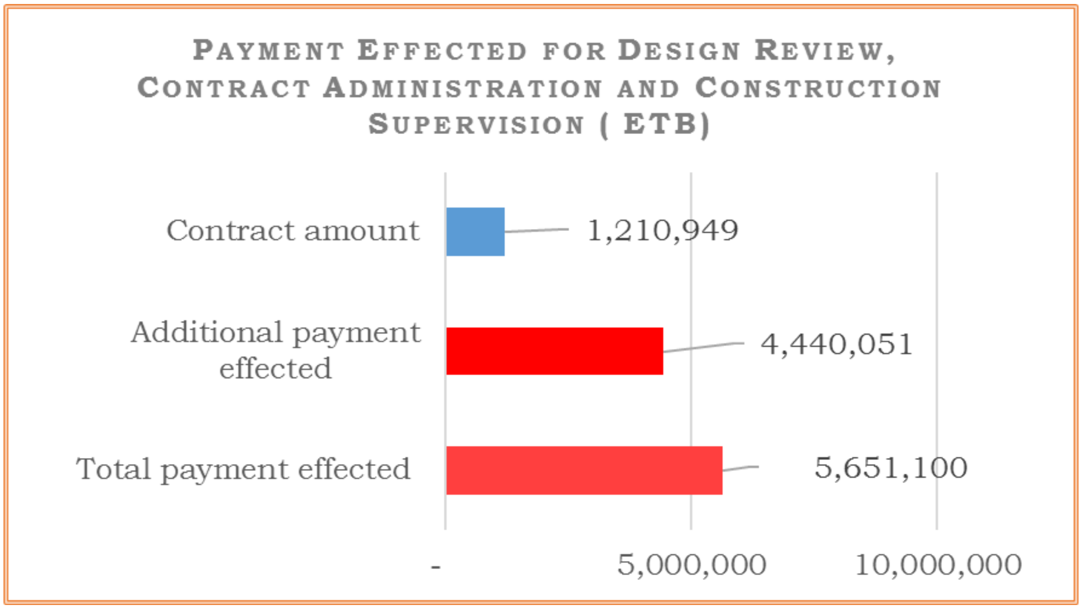

Figure 3. Payment effected for design review, contract administration and supervision in ETB

e) Implementation of work contract

A scope change necessitated extra 54 months to complete the work. The time extension has been accepted by the PE and additional payment of ETB 41,794,706.32 (USD 1,446,684.2) has been paid as per the supplementary agreement caused by the scope change and the associated variations. (Figures 4 and 5).

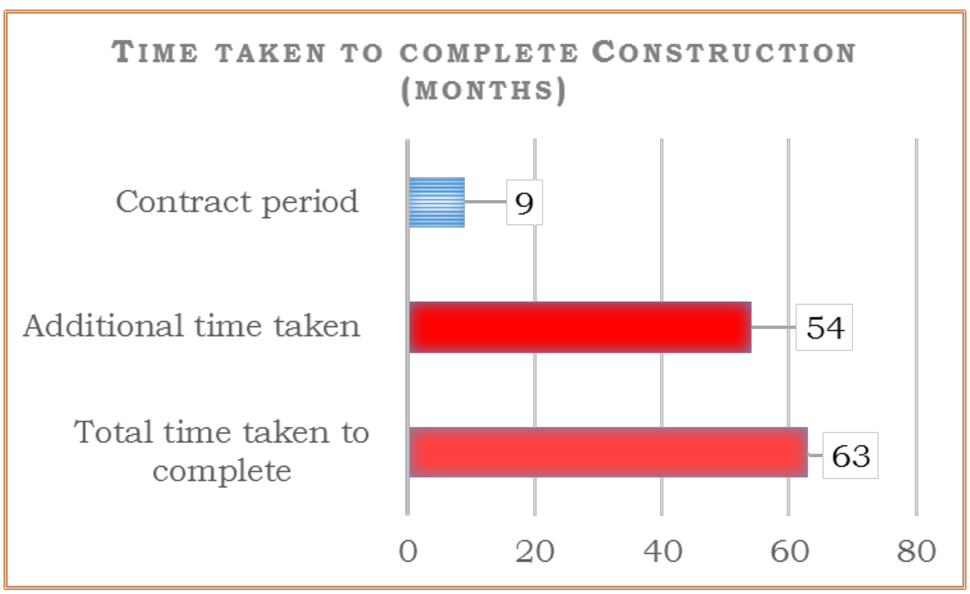

Figure 4. Total time to complete construction in months

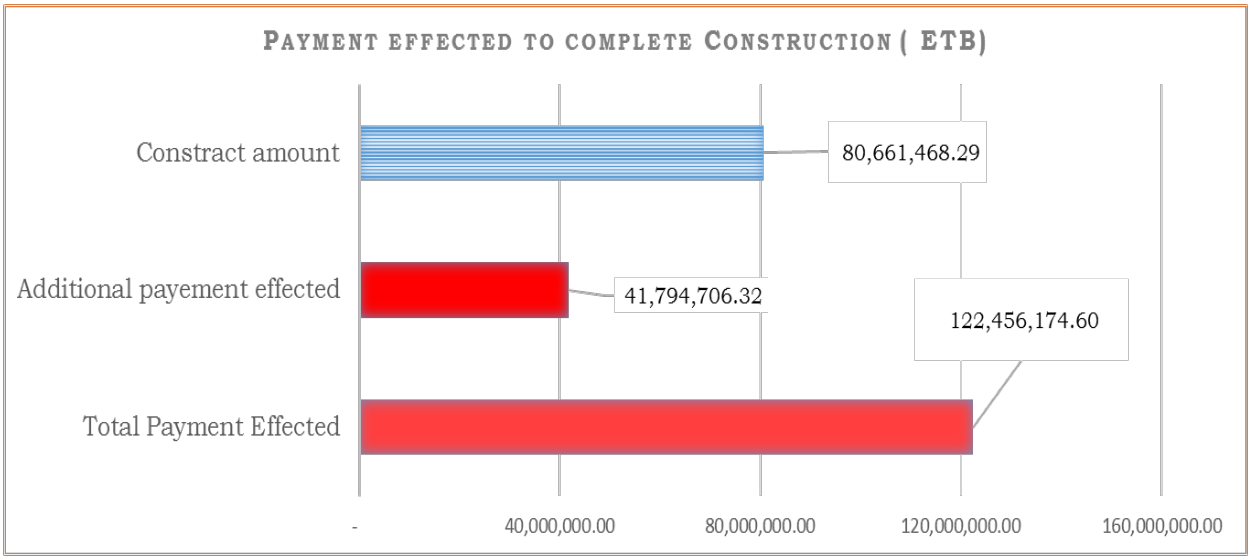

Figure 5. Payment effected to complete construction in ETB

f) Conclusion

During the assurance period the AP tries to get all the necessary procurement documents in cooperation with the responsible person of the PE, but the only available documents are contract agreements for service contract II and work contract. For all the procurement processes of the consultancy as well as the work, no adequate information is availed by the PE.

Following are findings of the assurance process.

- Cost overrun is significant in both design review, contract administration and construction supervision (366%) and constriction (51.8%).
- Time overrun is significant in both design review, contract administration and construction supervision (366%) and construction (600%).
- The client is highly dissatisfied by the project delay.
- Tender process transparency is poor
- Document management/handling very poor, especially the procurement processes.
- Design document is very poor, very shallow study and design while there are significant supplementary agreement and variation during the construction period

Note: Currency exchange Rate used is the rate at the time of report submission and it is 1$ USD =28.89 ETB

2. Introduction

The construction sector have the lion share in supporting social and economic development of the country and as the result it has been making major contribution to the overall economic growth and poverty reduction of the nation. However, studies indicate that mismanagement and corruption during planning and implementation of construction projects have become bottlenecks in attaining the desired socio-economic benefits and hence changes in the living standard of the wider public.

This assurance report consists of six chapters. Chapter one deals with executive summary, chapter two covers the introduction part, chapter three addresses the disclosure of project information, chapter four covers disclosure of procurement and contract information for service contract, chapter five looks into disclosure of procurement and contract information for work contract and finally chapter six deals with conclusion and recommendation.

Infrastructure Transparency Initiative (CoST) is a multi-stakeholder initiative established with the objective of ensuring transparency and accountability in the construction sector. The objective of CoST is to enhance the transparency of the Procuring Entity (PE) and construction companies by disclosing to the public information of the construction projects at all stages of the procurement cycle, from initial identification of the project to completion. The transparency and accountability in public construction sector benefits the national as well as international contractors and consultants, and this makes the procurement process more competitive.

The National Multi-Stakeholder Group Executive Committee (NMSG - EC) of CoST-Ethiopia has identified a number of projects associated with building, water, road construction, etc. The assurance professional prepares this report covering the procurement process and contract administration for the construction of a conference hall supporting facilities for MoFA.

Ethiopian government is constructing a number of infrastructures, amongst which is construction of conference hall support facilities of MoFA.

2.1 Objectives of the Assurance Process

The Procuring Entity (PE) is required to release information on the selected projects. In order to ensure the authenticity and acceptability of the information released by the PE, it has to be analyzed and verified by the Assurance Professional (AP) who is appointed by the National Multi-Stakeholder Group Executive Committee.

The objective of the assignment is to evaluate the process undertaken by the PE and the level of transparency and governance of the on-going or accomplished projects. In this regard, the Assurance Professional has two tasks: collection of information and verifying its completeness and accuracy; and analyzing the disclosed data and presenting it in a way understandable by the wider public. The AP has to verify the source of the reports and the latest version is available by the time of preparation of the report.

2.2 The challenges of the Assurance Process

The following are among points identified as challenges of the assurance process:

- ✓ Documents that deal with : need assessment; feasibility study; environmental and social impact assessment and the procurement process from advertising until award of the project are not availed by the PE.
- ✓ Documents pertaining to the project are not properly handled.
- ✓ Because of absence of all the necessary documents, we could not justify or understand how the consultant and the contractor were selected for the design work, tender document preparation, supervision and contract administration.

3. Disclosure of project information

3.1 Project overview

The Ministry of Foreign Affairs Construction Conference Hall support facilities project is disclosed under the *DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS) and DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS*) attached in Index I and II.

The Ministry of Foreign Affairs Conference Hall support facilities construction project is almost completed during the study period. Here the name of the person who prepared detailed engineering and design works and also the tender document is not mentioned. In fact Mulugeta Asefaw Consulting Architects & Engineering PLC managed the design review, supervision and contract administration. The FDRE government, represented by Federal Government Building Construction Project Office (FGBCPO) and the Ministry of Urban Development and Construction (MUDCo) had allocated sufficient budget to finance payments for the service and work contracts which form part of the implementation of the project of which important features are given in Table 1.

Table 1. Project description

No	Project identification	Description
1	Project name	Ministry of Foreign Affairs Conference Hall support facilities project
2	Project scope	Construction of conference hall support facilities
3	Project purpose	To construct conference hall support facilities
4	Undesired impacts of the	There is not as such significant impact during

	project	construction.
5	Source of funding	The Government of FDRE
6	Original project cost	✓ Service contract I - not known ✓ Service contract II - for design review, contract administration and supervision ETB 1,210,949.59 (USD 41,915.8) including 15% VAT. ✓ Work contract I - The original contract amount is ETB 80,661,468.29 (USD 2,792,020.4), including 15% VAT.
7	Original project duration	✓ Service contract I - 5 months ✓ Service contract II - 18 months; ✓ Work contract I - 270 calendar days./ 9 months

3.2 Scope of the project

The scope of the project is to construct construction of Conference Hall support facilities for the Ministry of Foreign Affair within 270 calendar days after the signing of the contract with the amount of ETB 80,661,468.29 (USD 2,792,020.4), including 15% VAT. In the agreement 15 calendar days were clearly set; and the other activities were also scheduled as follows:

- ✓ Signing of the contract 01/07/2014;
- ✓ Commencement date 16/07/2014;
- ✓ Total contract time 270 calendar days;
- ✓ Original completion date 12/04/2016; and
- ✓ Actual date of completion February 16/2019 (54 months elapsed).

The scope of the project aimed at providing consultancy services and construction work for the Ministry of Foreign Affairs Conference Hall support facilities Project. The assignment of the project includes, among other things, the following activities:

- ✓ Design Review, Supervision and Contract Administration by Mulugeta Asfaw Consulting Architect and Engineering PLC ;

- ✓ Work contract by Giga Construction PLC.

Mulugeta Asfaw Consulting Architect and Engineering PLC was in charge of undertaking the consultancy service on design review, supervision and contract administration; and the consultancy service period is 18 months. The consultant has undertaken his duty and responsibility within the given time frame, though it depended on the contractor's performance.

As has been mentioned above, the scope of the project was to construct Conference Hall support facilities, and the assignment has been given to GIGA Construction PLC with the cost of ETB 80,661,468.29 ETB (USD 2,792,020.4), including 15 % VAT. But due to frequent change in the scope of the assignment, the project was characterized by full of variation, omission, additional works and supplementary agreement as shown in Table 2 with additional amount of ETB 41,794,706.32 (USD 1,446,684.2), including 15 % VAT. As a result the contract cost increased by 51.8% from the original contract amount.

Table 2. Reason behind variation and provision of supplementary works

No	Description	Reason behind Variation	Approved Amount including 15 % VAT (ETB)	Approved Amount including 15 % VAT (USD)
1	Variation Work	Installation of Shoring Pile	4,134,645.60	119,449,911.38
2	Variation (CP)	For Guard House Facility	586,213.74	16,935,714.95
3	Variation Work (Np)	For Guard House Facility	909,319.33	26,270,235.44
4	Variation 03	Guard House Construction	105,045.38	3,034,761.03
5	Supplementary Agreement	Additional Shoring Work	5,432,646.09	156,949,145.54
6	Variation Work	Additional Facility for Federal Police	146,327.47	4,227,400.61
7	Variation 4 & 5	Site Work, Parking Guard House and Electrical Cable Item	6,330,584.02	182,890,572.34
8	Variation No 4 & 5 Work	Sub Surface Drainage Work and Guard House	3,407,655.87	98,447,178.08
9	Variation No 6	Sewerage Line Relocation	261,831.18	7,564,302.79
10	Variation 7	Generator, Transformer and Guard House	208,872.50	6,034,326.53
11	Variation Work 8 & 9	Site Work Exceed in Quantity and Demolishing of Old Mofa Ware	2,673,774.94	77,245,358.02

		House		
12	Variation 10	Storm Water Pipe & Manhole	1,559,811.86	45,062,964.64
13	Variation No 4	Sub-surface Drainage Work (Re-Approved)	4,142,561.10	119,678,590.18
14	Variation No 4	Deductions of Previously Approved Sub- surface Drainage	-2,342,109.07	67,663,531.03
15	Additional Work	Green Area, Curb Stone, Grill, Epoxy ,Painting	14,806,364.29	427,755,864.34
16	Variation 11	Parking Structure, Site Works, Generator House Works, Guard Sleeping Works, Sanitary Works Fountain and Flag Pole as well as Demolishing Work	6,190,407.93	178,840,885.10
17	Variation 11	Water Tank and Fountain Pump	948,382.28	27,398,764.07
		Total Variation	**49,502,334.52**	**1,430,122,444.28**
No	**Description**	**Reason for Variation**	**Approved Amount Including 15 % VAT in ETB**	-
1	Variation NO 1	Because New Price is Fixed for New Item for Shoring Excavation Depth)	1,612,485.3	55,814.65
2	Addition & Omission No 2	Less and Excess in Quantity	326,986.3	11,318.32
3	Omission No 3	Generator and Pump House Floor Finishing, Parking Water Proofing, Site Work Stone Masonry	2,886,652.1	99,918.73
4	Omission No 4	Domestic Water Tank	828,000.00	28,660.44
		Type 1 Fumigali Ektor 5m Pillar 100w	2,707,477.20	93,716.76
		Total	7,707,628.20	266,792.25
		Total Contract Amount	**41,794,706.32**	**1,446,684.19**

3.3 Socio-economic benefits of the project

The project could have positive socio-economic impacts in many respects: in the first place it solves the conference hall problem of the Ministry and hence the other institutions too. The other impact is that the project could create temporary and permanent employment opportunities for residences of the city. 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 as operators, electromechanical professionals, general services and security services in MoFA. The project includes parts such as parking structure, site works, sanitary and electrical works, generator house works, guard rooms, sanitary works, fountain and flag structures.

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 construction period because some construction materials, in the form of cart away, could be dumped around the dumping site which may adversely affect the environment resulting in siltation on rivers and streams during rainy seasons. On the other hand dust from construction sites might have adversely affect the environment and hence the community during the construction period.

3.5 Sources of funding

The source of funding is the Government of Ethiopia.

3.6 Project duration

The commencement date for the assignment was July 16, 2014 and the desired completion date was March 28, 2015. However, the project was completed after 3 years of delay.

4. Disclosure of procurement and contract information for consultancy service

4.1 Disclosures of procurement information

4.1.1. Overview of the procurement process

All the necessary documents that inform about the procurement processes of the consultancy services for the construction of conference hall support facilities in the design work and tender document preparation, supervision and contract administration were not availed during the assessment period .

The agreement for consultancy services II was signed on June 5, 2012. The service contract was to last for 18 months with contract amount of ETB 1, 210, 949.59 (USD 41,915.87), including 15% VAT; and the monthly payment was ETB 67,275.00 (USD 2328.66) including 15% VAT. The signed contract date of Service Contract I for design and tender document preparation is not known. The only available document is for design and tender document preparation to be carried out in 5 months period, but the completion time was extended by 6 months. Likewise Service Contract II was on design review, contract administration and supervision. The agreement was signed on June 5, 2012 with a duration of 18 months but was delayed by 66 months.

4.1.2 Verification of the disclosed procurement information

4.1.2.1 Completeness of the disclosed procurement information

During the provision of service contracts I and II, there is no any document that testifies the selection criteria, the number of participants, the offered price by the consultant, type of invitation, minutes and award letters, and the number of consultants rejected along with respective justifications. The only available document is the contract agreement, and this makes the disclosure of procurement information incomplete. 22.7 % of design related information, 65.9 % of design review, supervision and contract administration related information, and 84.6% of general project information are availed by the PE. This makes the average rate of disclosure of procurement information 49 %.

Absence of such documents adversely affected:

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

4.2 Disclosure of contract information

4.2.1 Overview of the contract

The contract services are of two types, Contract Services I on design and tender document preparation and Contract Services II on design review, supervision and contract administration. There is no information about the procurement and contract administration of Service Contract I; and for Service Contract II, there is only the contract agreement document. In the contract document the total service cost and duration of the services is clearly set.

4.2.2 Verification of the disclosed contract information

During the assurance process, verification work was done to validate the completeness and accuracy of the disclosed contract information. The PE disclosed the contract information in the contract agreement which was signed between the Ministry of Urban Development and Construction and Mulugeta Asfaw Consulting Architects and Engineers PLC

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 the contract price, duration and scope are stated below.

4.2.3.1 Issues related to contract price

There is no change in the contract price for consultancy services as compared with the original contract price. Due to additional works, omission and supplementary agreements (for works contract), the duration for the consultancy service took parallel additional 66 months as compared to the original contract period and as a result it costs additional ETB 4,440,150 (USD 153,691.6).

4.2.3.2 Issues related to the contract duration

The duration for the consultancy service which was signed on June 5, 2012 was supposed to be completed on February 4, 2014 in 18 month time. But the consultancy service was extended for over 5 years beyond the original contract period.

4.2.3.3 Issues related to contract scope

The contract scope was changed due to the inclusion of additional activities. The additional works include design of green areas; curb stones, grill, epoxy and paintings that took additional 66 months.

5. Disclosure of procurement and contract information for work contract

5.1 Disclosures of procurement information

5.1.1. Overview of the procurement process

There is no information about the procurement processes in the contractor procurement process, the only available document presented by the PE is the contract agreement.

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 on procurement issues are not available by the procuring entity. This becomes questionable in defining the completeness and accuracy of the disclosed procurement information. Due to unavailability of information, it was not possible to see:

- accuracy of the disclosed procurement information;
- analysis of the disclosed procurement information;
  - ✓ 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 tender evaluation process;
  - ✓ objectivity of tender evaluation and the award criteria; and
  - ✓ competitiveness of the award price.

5.2 Disclosure of contract information

5.2.1 Overview of the contract

The original contracts was signed between the Ministry of Urban Development and Construction and GIGA Construction PLC with an amount of ETB 80,661,468.29 (USD 2,792,020.4), including 15% VAT. The project was completed after significant delay (almost 66 months) with significant variation order, omission and addition of activities.

5.2.2 Verification of the disclosed contract information

5.2.2.1 Completeness of the disclosed contract information

The contract information is not available with the required degree during the assurance period. The only available document is the contract document. For works contract, 63.6 % of the contract, and 84.6 % of general information are availed. This makes the average rate of disclosure of works contract information 71.4 %. Summing all the available information and comparing with the required, makes the aggregate (total) rate of disclosure 60.3 %.

5.2.2.2 Accuracy of the disclosed contract information

For the available pieces of information, accuracy is verified by checking against source documents.

5.2.3 Analysis of the disclosed contract information

5.2.3.1 Issues related to contract price

There is no change in the contract unit price as compared to the original contract even though a time overrun of 54 months is encountered.

5.2.3.2 Issues related to the contract duration

The contract period for construction of the support facilities is delayed by 54 months. It was learnt during the assurance period that the PE accepted and approved requests for same amount of time extension.

5.2.3.3 Issues related to contract scope

The contract scope was changed during the construction period. Supplementary agreements were made (in the form of minutes) for items added (such as park structure, site works, sanitary and electrical works, generator house, guard rooms, sanitary works, fountain and flag structures) to the original tasks,.

6. Conclusion and Recommendation

6.1 Conclusion

The following are the main findings of this assessment report:

- ✓ The construction period is delayed by more than 54 months.
- ✓ The causes of delay are accepted by the PE.
- ✓ The payment to the consultant is increased proportional to the extension of time as the modality of payment was on monthly basis.
- ✓ The feasibility study needs assessment, while the design and tender document are not properly prepared or not completely done.
- ✓ The aggregate disclosure rate is 60.3%

6.2 Issues recommended for further review

The missing documents are to be availed and reviewed.

Annexes

Annex 1. DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)

	DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)			
Phase	**Item of disclosure**	**Construction**	**Design**	**Supervision**
Procurement information (30 Items)	Date of disclosure	*The date of CoST*	*The date of CoST*	*The date of CoST*
	Contract title	Construction of conference Hall support facilities	Design and tender document preparation	Design review, supervision and contract administration.
	Location	Addis Ababa	Addis Ababa	Addis Ababa
	Procuring entity	Ministry of urban development and construction in behalf of Ministry of Foreign Affairs	Ministry of urban development and construction in behalf of Ministry of Foreign Affairs	Ministry of urban development and construction in behalf of Ministry of Foreign Affairs
	Source for further information	Project office (Federal government building construction and administration bureau)	Project office (Federal government building construction and administration bureau)	Project office (Federal government building construction and administration bureau)
	Date of procurement notice /Invitation date	INA	INA	INA
	Floating period of the procurement notice	INA	INA	INA
	Media used for procurement notice	INA	INA	INA
	Method of procurement	INA	INA	INA

	Type of procurement	INA	INA	INA
	Procurement procedure	INA	INA	INA
	Evaluation criteria	INA	INA	INA
	Type of contract and project delivery method	Admeasurement	INA	Monthly payment for design review, supervision and contract administration in respective of contract amount and calculated from lump sum
	Type and amount of bid security	INA	INA	Not available
	Content of any complaint lodged	INA	INA	No documents available about complaint.
	Engineer's estimate	INA	INA	INA
	Date of bid opening	INA	INA	INA
	Number of bidders: participated, rejected and declined to submit	INA	INA	INA
	Award firm/ contracting firm	Giga construction PLC	INA	Mulugeta Asefaw Consulting Architects & Engineering PLC.
	Date of contract award / Acceptance date	INA	INA	Not available
	Award price/original contract price in ETB	Contract amount 80,661,468.29 ETB / 2,792,020.4 USD (Including VAT) ETB	INA	Contract amount 1,210,949,59 ETB/ 41,915.87 USD including 15% VAT. Monthly 67,275.00 ETB/2,328.67 USD Including 15% VAT
	Unit contract price (price /km, price /m^2)	Various item and measurement	Not measurable to define in lump sum	Not measurable it define in Lump sum
	Contract security type and amount	Unconditional	INA	Unconditional

	Date of contract signing	July 1, 2014	INA	5th /June/2012
	Contract scope	9 months	INA	18 months
	Description of contract and contract components	Ministry of Foreign Affairs Conference Hall support facilities Construction	INA	Design review, supervision and contract administration
	Contract administration entity	Mulugeta Asefaw Consulting Architects & Engineering PLC.	INA	Federal Government Building Construction Project Office (FGBCPO), Ministry of Urban Development (MUDC
	Contract duration	July 1 /2014 up to March 28, 2015 (270 calendar days)	INA	June 5/2012 up to Dec 4/2013 (18 Months)
	Contract start / commencement date	July 16 2014	INA	July 5/2012
	Intended completion date	Completed	Completed	Completed
Phase	**Item of disclosure**	**Construction**	**Design**	**Supervision**
Contract implementation (14 items)	Contract status (ongoing % progress) terminated, completed)	Completed	Completed	Completed
	Completion date (revised, projected, actual)	Completed	Completed	Completed
	Changes to contract duration with reason	Construction extremely delay due to additional work and incorporating missed item during design, construction materials availability, client change interest in conference hall facilities unlimitedly	Completed	Construction extreme delay due to additional work and missed item during design , the consultant also perform its supervision and contract administration until construction complete
	Amount of liquidate damage is applied (penalty for delay)	Penalty not applied	INA	Penalty not applied
	Contract price (revised, projected, actual)	Original contract not revised	INA	Original contract not revised

	Changes to contract scope with reason	Due to the client interest change, item in the scope change, but major construction of conference hall support facilities not change	INA	No change in the scope
	Scope at completion	The major construction of conference hall support facilities not change, but there are a number of activity which are added to full fill the main scope such as Parking Structure, Site Works, sanitary and electrical work, Generator House Works, Guard Sleeping Works, Sanitary Works, Fountain and Flag Pole.	INA	Still the consultant is not complete the task due to construction delay
	Change to contract price with reason	No change in unite contract price but there are significant change in contract amount.	INA	No change in contract price but there are significant change in contract amount.
	Total payment effected	122,456,174.61 ETB/4,238,704.5 USD	INA	5,651,100.0 ETB/195,607.47 USD
	Warranty type and description	INA	INA	Not available
	Details of Termination if applied	Termination not applied	INA	Termination not applied
	Safety measures (accident & death)	INA	INA	Not available
	Quality of work (very good, good, inferior, impossible to comment)	Good workmanship	INA	Good consultancy services
	Disputed issues & award details	INA	INA	INA

Annex 2. DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)

DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)		
Preliminary project information (18 Items)	Date of disclosure	INA
	Project owner	Ministry of Urban Development and Construction in behalf of ministry of foreign affairs
	Project name	Ministry of Foreign Affairs Conference Hall supporting facilities Construction
	Sector, sub-sector	Conference Hall supporting facilities Construction
	Source for further information	Ministry of Urban Development and Construction, Project office (Federal government building construction and administration bureau)
	Project Location	Addis Ababa
	Purpose	The Ministry of Foreign Affairs spend significant money to rent different conference room, with this reason and additional rooms demand, the MUDC in behalf of MFA construct supporting facilities to full flagged the conference hall demand.
	Project description	Construction of Ministry of Foreign Affairs Conference Hall supporting facilities
	Original project scope	Construction of Ministry of Foreign Affairs Conference Hall supporting facilities
	Project components	Construction of Conference Hall supporting facilities
	Environmental impact	INA
	Land and settlement impact	INA
	Estimated budget of the project with breakdown of components	INA
	Funding sources	Government of Ethiopia
	Project budget approval date	INA
	Project start date (planned, actual)	Construction Commencement date 16/07/2014 and completed within 270 calendar days and consultancy start at June 5th 2012 for 18 months The actual works and consultancy completed Feb 16/2019
	Planned /Original duration for completing the whole project	270 days for construction and 18 months for consultancy services

	Planned /Original cost of the project	Mulugeta Assefawe consultancy Architects and Engineering PLC Contract amount 1,210,949,59 ETB/ 41,915.87 USD including 15% VAT. Monthly 67,275.00 ETB/2,328.67 USD Including 15% VAT Giga Construction PLC and Contract amount 80,661,468.29 ETB / 2,792,020.4 USD (Including VAT) ETB
Project information at completion (8 Items)	Cost of the project at completion	Construction cost 122,456,174.61 ETB/4,238,704.5 USD and Consultancy service cost 5,651,100.0 ETB
	Changes of project cost with reason	The major reason due to non-stopping client interest and missed item during design
	Project completion date (Revised, projected, actual)	✓ Contract signing 01/07/2014 ✓ Commencement date 16/07/2014 ✓ Contract time 270 calendar days ✓ Actual complete date February 16/2019 ✓ 54 months delayed
	Actual duration for completing the whole project	9 month (270 calendar days) actual contract period and 54 months due to construction delay by different reason, total 63 months taken to complete the construction
	Changes of project duration with reason	The reason requested by the contractor due to significant variation work added in the contract, in cost wise almost 51% of the main contract added, the contractor request 82 months, but the consultant accept 60 months finally the client accept 54 months.
	Project scope at completion	In addition scope during contract signed there are additional assignment add while missed during design period such as Parking Structure, Site Works, sanitary and electrical work, Generator House Works, Guard Sleeping Works, Sanitary Works, Fountain and Flag Pole.
	Changes of project scope with reason	facilities include other activity such as Parking Structure, Site Works, sanitary and electrical work, Generator House Works, Guard Sleeping Works, Sanitary Works, Fountain and Flag Pole.

	Reference to documents for disclosure upon request (reactive disclosure)	The only reference document is Contract agreement document and incoming and outgoing letter during construction phase

Office Building Project of Urban Integrated Land Information System Development

OCTOBER 2019
ASSURANCE PROFESSIONAL: ASMEROM TADESSE
Addis Ababa, Ethiopia

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ACRONYMS/ ABBREVIATIONS

AP	-	Assurance Professional
CoST	-	Construction Sector Transparency Initiative
EOT	-	Extension of Time
ETB	-	Ethiopian Birr
FDRE	-	Federal Democratic Republic of Ethiopia
FGOCPO	-	Federal Government Offices Construction Project Office
FPPAA	-	Federal Public Procurement and Property Administration Agency
IDS	-	Infrastructure Data Standard
MUDHCo	-	Ministry of Urban Development, Housing and Construction
NMSGEC	-	National Multi-Stakeholder Group Executive Committee
PE	-	Procuring Entity
PLC	-	Private Limited Company
TC	-	Technical Committee
UILISD	-	Urban Integrated Land Information System Development Building Project
USD	-	United States Dollar
VAT	-	Value Added Tax
VfM	-	Value for Money
VO	-	Variation Order

EXECUTIVE SUMMARY

Infrastructure Transparency Initiative - Ethiopia (CoST - Ethiopia) 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 mainstream disclosure, CoST-Ethiopia delivered trainings and follow up mentorship as a result of which significant number of Procuring Entities disclose two sample projects on the website of FPPPAA. Federal Government Offices Construction Project Office is one of the PEs who disclosed information of the two sample projects. By way of covering additional projects, the Project Office has been requested to make a reactive disclosure of a completed 2B+G+11 Urban Integrated Land Information System Development (UILISD) Office Building Project in April 2019 which is made up of the following one (1) service and one (1) work contracts:

1) SERVICE CONTRACT: Consultancy services for design, supervision and contract administration, and
2) WORK CONTRACT: construction of 2B+G+11 Urban Integrated Land Information System Development Project.

The completeness of disclosed information on the overall project amounts to 55.8% with the contract phase disclosure accounting for the major observed deficiency. Moreover, the Procuring Entity has managed to avail only 35% of the 23 project documents that the Assurance Professional requested at the early stage of the assurance process.

The Procuring entity has not made available project documents vital to understand the tender process adopted in the procurement of consultancy service thus deterred the Assurance Professional to make informed judgment on the tender process while in the procurement process of the work contract the PE had adopted non-standard procurement method without securing the prior approval of the concerned government body.

No project document has been made available to assess the performances of phase I and II of the consultancy services. The Original and final Contract Prices inclusive of 15% VAT for the work contract amounts to ETB 166,258,403.47 (USD 5,791,563.15) and 160,423,513.07 (USD 5,588,306.44), respectively with overall changes of -3.5%. The disclosed documents reveal that the changes had resulted in amendment of the main contract as of August 2014.

It is observed that the documents that the Procuring Entity disclosed do not adequately justify the changes with their associated effect on cost. Moreover, the project has

undergone significant scope changes for which reasons are not adequately justified in the availed project documents.

The original commencement and intended completion dates were on 01/10/2014 and March 16, 2016, respectively, of which the latter was revised to be on December 26, 2016 due to three approved extensions of time that pushed forward the intended completion date by 278 Calendar days thus showing a "behind schedule" condition with a time overrun of 51.5%. In general, the documents that the PE availed adequately justify most of the reasons associated with extension of time.

Heeding the above stated results on the information extracted from the project documents availed by the PE; the following are highlights of causes for concern upon which the PE shall provide clarifications and explanations:

a) Non-standard work procurement process without securing the prior approval of concerned body.
b) No intended completion date was specified for Phase I of consultancy service.
c) The completion time for the works is not stated in supplementary contract, agreement No. 2.
d) Service contract fee set up: Establishing fee budgets is highly specific to a project, site, time and circumstances. The nature of the individual project determines the scope of the required services and the necessary form of agreement. A suitable engineering fee budget thus shall be based on a well defined scope or work program and clearly defined parameters. Despite this, the documents that the PE availed do not rationalize the basis for setting the design and supervision fees.
e) It seems the disclosed documents interchangeably describe the project scope as 2B+G+12 and 2B+G+11.
f) The basis for computing the liquidated damage; how the PE set the rate and the number of days.
g) The reasons for lengthy process of provisional acceptance.

Note: An exchange rate of USD to Birr (1 USD = 28.707 Birr) is made using the rate at the time of the report writing, June 2019

1. INTRODUCTION

1.1 Background

Infrastructure Transparency Initiative - Ethiopia (CoST - Ethiopia) 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.

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 more than 70 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 32 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 (FPPPAA) for the disclosure of Infrastructure Data Standard by the respective PE.

Following the above stated training, mentorship and follow up services; during the last assurance cycle significant number of PEs had attempted to disclose the IDS of projects using the template posted on the website of FPPPAA. Federal Government Offices Construction Project Office (FGOCPO) is one of the PE who disclosed the sample two projects. By way of covering additional projects, the Project Office has been requested to make a reactive disclosure of a completed 2B+G+11 Urban Integrated Land Information System Development (UILISD) Office Building Project in April 2019.

The National Multi-Stakeholder Group Executive Committee (NMSG - EC) of CoST-Ethiopia has employed an Assurance Professional to undertake collection, verification, analysis and interpretation activities so that the information released by UILISD 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 the implementation process of a completed 2B+G+11 Urban Integrated Land Information System Development (UILISD). Office 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:

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

2. To collect the project information from the documents made available by the Procuring Entity (PE),
3. To verify the accuracy and completeness of IDS disclosures by the PE,
4. To analyse disclosed and verified data in order to make informed judgements about the cost, time and scope aspects of the Project, and
5. 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 the Project.

1.3 Challenges of the assurance process

In the course of the assurance process, the PE has been cooperative and it can be said that no major challenges has been faced except the failure to avail some project documents. Annex 1 summarizes the list of documents that the AP requested and availed by the PE.

2 COMPLETENESS OF DISCLOSED INFORMATION

2.1 Information disclosure rate

As shown in figure 1 below, the overall disclosure of procurement and implementation / completion information in pertinence to the service and work contracts can be assessed as follows:

- No information is disclosed about the design completion,
- 48% and 38% of the procurement information related to service and work contracts are not disclosed, respectively,
- With regard to contracts under the project, the Procuring Entity has disclosed only 54% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

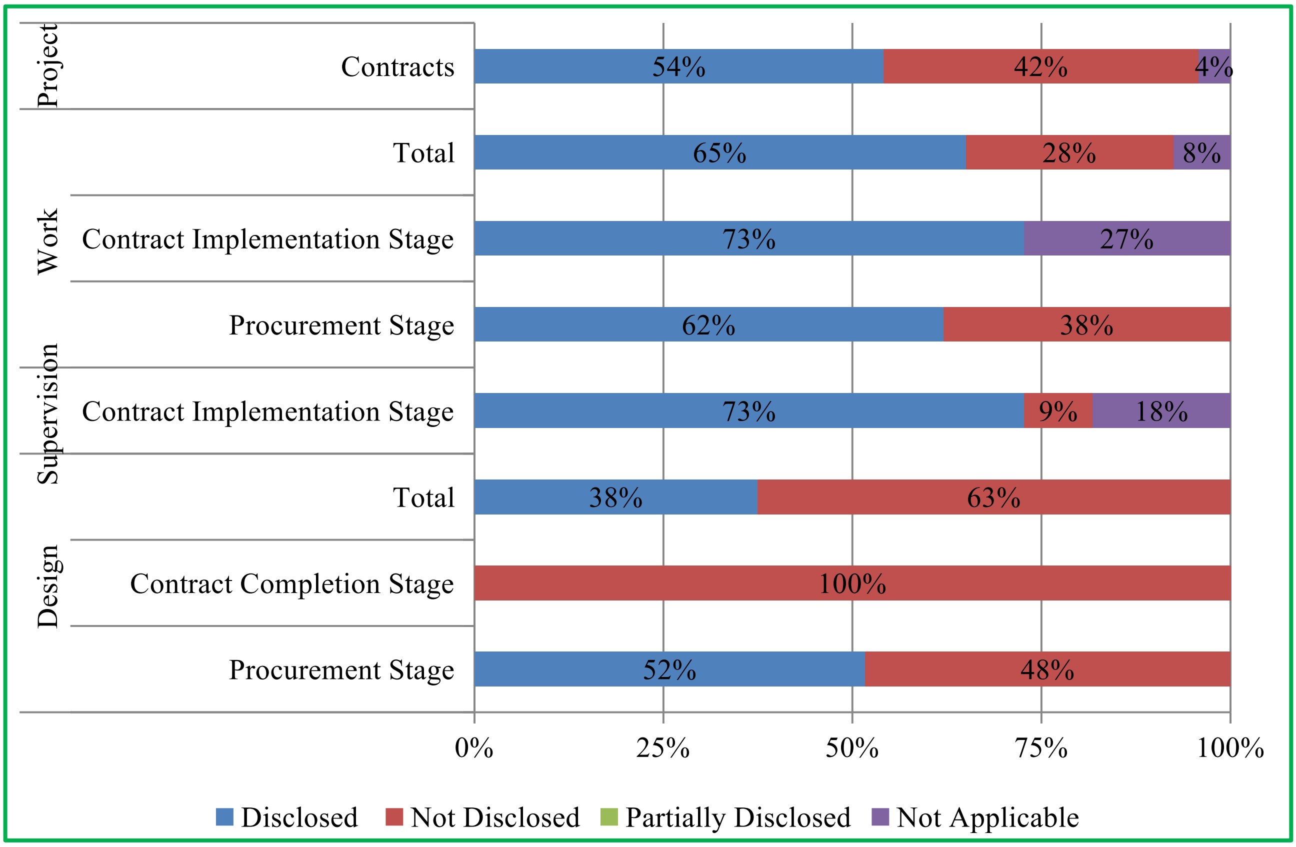

Figure 1: Summary of disclosed information completeness for contracts

The Procuring Entity has disclosed 66.7% and 54.2% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia with regard to Project Identification and contract phases, respectively. In general, as shown in figure 2 below, the completeness of disclosed information on the overall project amounts to 55.8% with the relative contract phase disclosure accounting for the major observed deficiency.

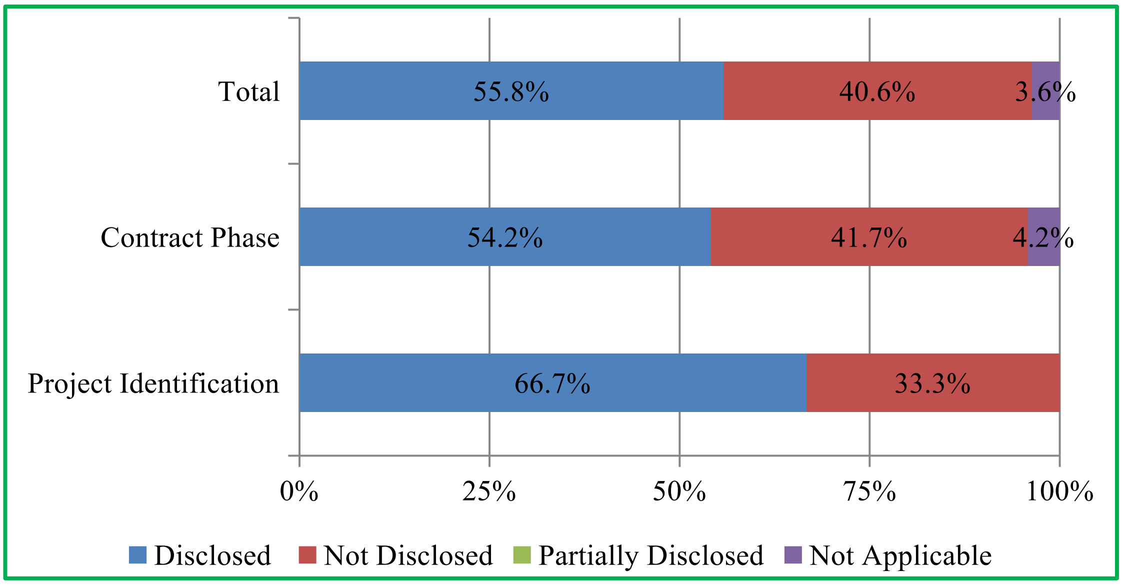

Figure 2: Summary of disclosed information completeness on the overall project

2.2 Project documents availability rate

As can be seen in figure 3, the Procuring Entity has managed to avail only 35% of the 23 project documents that the Assurance Professional requested for at the early stage of the assurance process.

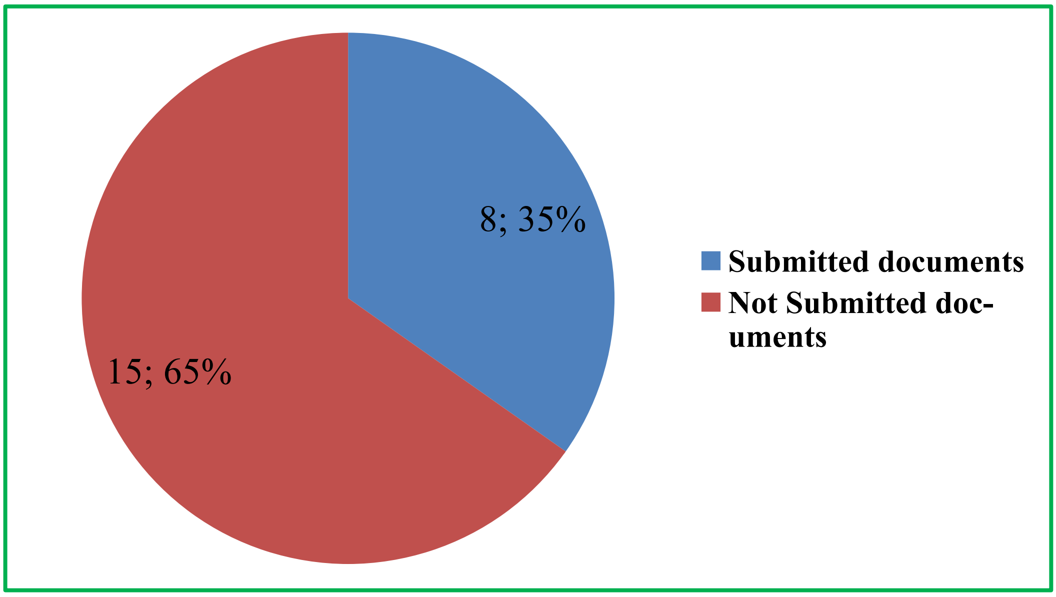

Figure 3: Availability/Submission rate of requested project documents

3 DISCLOSURE OF PROJECT INFORMATION

In an effort to create a conducive working environment to fulfill one of its powers and responsibilities - build a cadastre and immovable property market systems that ensures transparency and accountability to enhance a free market economy; the then Ministry of Urban Development and Construction has initiated the construction of UILISD Building Project of which project information are summarized in table 1.

The implementation process of UILISD Building Project 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 currently operational building project occupied by Federal Urban Land & Landed Property Registry and Information Agency:

i. SERVICE CONTRACT: Consultancy services for Design, supervision and contract administration, and
ii. WORK CONTRACT: construction of 2B+G+11 Urban Integrated Land Information System Development Project.

Table 1: Overview of project identification

Project identification variable	Description
Project location	Sudan Street, in front of National Bank of Ethiopia, Addis Ababa City
Original project scope	A G+10 office building having an approximate total floor area of about 5000m^2; the office building shall be used for urban integrated land information system development with an estimated staff size of 500 people.
Purpose of the project	To create a working space needed for building a cadastre and immovable property market systems that ensures transparency and accountability to enhance a free market economy.
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 (inclusive of 15% VAT)	– Service contract: ▪ Design fee : 1,086, 491.25 ETB (37,847.61 USD[1]) ▪ Supervision and contract administration fee: 92,000.00 ETB (3,204.79 USD) – Work contract - 144,572,524.76 ETB
Original project duration	– Service contract: ▪ Design service : Undisclosed ▪ Supervision and contract administration service: two months after the final acceptance of the construction for supervision and contract administration – Work contract - 540 Calendar days

[1] The bracketed currency values (USD) shown throughout the report are the equivalent of the local currency (ETB) converted at the average exchange rate (1USD= 28.707 ETB) prevailed at the time of writing this report (June 2019)

4 PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE (SERVICE CONTRACT)

4.1 Procurement information and overview of procurement process

The Procuring entity has not made available project documents vital to understand the tender process adopted in the procurement of consultancy service thus deterred the Assurance Professional to make informed judgment on the tender process to procure service contract 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.

4.2 Disclosure of contract information

4.2.1 Overview of the contract

The consultancy service agreement was made on 27th of June 2012 between the Ministry of Urban Development and Construction (Housing Development and Government Buildings Construction Bureau), and Defense Construction Design Enterprise to provide consultancy services of Standard G+10 Office building design for Federal Integrated Land Information System Development.

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 issuing of certificate of completion of the Service Contract, no information has been revealed about the furnishing of 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: Preparation of standard design for a G+10 office building having an approximate total floor area of about $5{,}000m^{2.}$. The office building shall be used for urban integrated land information system development with an estimated staff size of 500 people; and the service shall commence on the signing date of contract and the contract shall expire upon completion and submission of final document, and

ii. Phase II: Supervision and contract administration of the construction of UILISD Building while the period for expiration of the contract was two months after the final acceptance of the construction for supervision and contract administration.

The contract is lump sum for design and time-based (monthly) for supervision and contract administration while the original contract prices inclusive of a 15% VAT were ETB 1,086, 491.25 (USD 37,847.61) for design and ETB 92,000.00 (USD 3,204.79) per month for the resident supervision and contract administration services with the following payment schedule:

i. Advance payment (30% of the design fee) shall be paid upon signing of agreement,
ii. 40% of the design fee upon completion and submission of preliminary design work,
iii. The rest 60% of the design fee upon completion and submission of final design work, and
iv. The resident supervision fee and contract administration fee inclusive of 15% VAT shall be effected at the end of each month up to the completion of the project.

Appendix C of the consultancy service agreement outlines that the PE shall provide the following services and facilities as described in the general items of the specification and bill of quantities of the construction work:

- Office,
- Office equipment and furniture,
- Computer and accessories,
- Photocopy and digital camera,
- Surveying equipment for engineers use,
- Telephone and fax services,
- Secretarial services, and
- Engineer's transport : a 5 seat 4WD and including fuel, lubricant, driver, regular maintenance and repair

4.2.2 Analysis of the disclosed contract information

As no document was made available in connection to service contract implementation/completion; it has become difficult to analyze, interpret and make informed judgment about service contract performance in terms of the changes and justifications of changes observed in light of contract price, duration and scope.

5 PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE (WORK CONTRACT)

5.1 Procurement information and overview of procurement process

In line with the procurement process of the work contract for the construction of UILISD Building, the PE has availed only a summary of evaluation criteria and points allocated for technical document of Grade 1 BC/GC, a list of contractors with descending order of their technical points and correspondences of which summarized details are provides in table 2.

Table 2: A summary of extracts from correspondences on work's procurement process

Date	From/To	Deduced Substance/ contents
20/08/2011 (Memo)	From: FGBCPO To: State minister - Construction sector Subject: Land preparation for government offices construction	– State minister directed FGBCPO to submit a list of recruited Grade 1 BC/GC on 07/06/2006 – Having prepared evaluation criteria, an invitation was posted on newspaper on 30/06/2006 – In response to the invitation, 30 among the 34 contractors who collected the document have filled and submitted – On 22/07/2006 a technical evaluation committee was established and submitted the technical evaluation report to FGBCPO on 03/08/2006 – Only one of the contractors was rejected due to incompleteness – Requested the state minister to authorize FGBCPO so that it will involve those contractors who scored 70% and above in priority order in the upcoming fixed price construction contracts
11/9/2006 (letter)	From: State minister - Construction sector To: Housing Development and government buildings construction bureau Subject: About Contractors data and market linkage/work contracting	Having reiterated that 30 contractors are registered for fixed price work contracts, the state Minister notified that following: – It is approved and decided to set up a database of contractors who scored 70% and above and establish a work contracting in priority of their technical scores – In general, with due consideration of the project type and size, FGBCPO shall establish the work contracting in accordance with the work performance order
22/11/2006 (Letter)	From: FGBCPO To: State minister - Construction sector Sub: Request for approval of unit prices	Requested for approval of unit prices prepared by the consultant, and evaluated and corrected with minor modification by FGBCPO . The stated minister (0n 24/11/06) on the request letter itself informed the head of Housing Development and

	for UILISD Building	government buildings construction bureau "approved"
25/11/2006 (memo)	From: Housing Development and government buildings construction bureau To: FGBCPO Subject: Notifying the approval of unit prices	The bureau notified FGBCPO that unit price is approved by the State Minister and informed to put it in use for contract agreement

The project documents outlined in table 2 above show that the PE had adopted non-standard procurement methods and procedures involving the following steps:

a) FGBCPO announces invitation for registration of grade 1 contractors who wishes to participate in fixed price contracts,
b) Technical evaluation using the criteria outlined in table 3 the detail of which is provided in Annex 2, and
c) Set up a database of contractors who scored 70% and above and establishing a work contracting in priority of their technical scores.

Table 3: A summary of technical evaluation criteria

Factor	Criteria/ requirement	Points	%age
Technical Qualifications, Competence, and Experience of the Bidder	Undisclosed	**70**	**73.7%**
General experience		20	21%
Specific experience		20	21%
Work at hand		5	5%
Equipment		25	26%
Professional Qualifications and Capability of the Bidder		**10**	**10.5%**
Financial Standing of the Bidder		**15**	**15.8%**

5.2Analysis 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.

Table 4 shows a collection of various compliance requirements stated in the procurement proclamation/directive that forms the basis to conduct objective assessment of compliances.

Table 4: 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.

As discussed in section 5.1, the PE had adopted non-standard procurement methods and procedures that deviated from approved methods of works procurement: open bidding, restricted bidding, request for quotations, single source/ direct procurement, and two stage bidding. Similarly, the method the PE applied in selection of successful firm doesn't conform to any of the two methods defined in the Public Procurement Proclamation and Directive: the bid with the Lowest Price and Lowest Evaluated Bid Offering the Best Economic Advantage. Moreover, contrary to Article 31.1 of the procurement directive, no document that certifies the prior approval of PPA on PE's engagement in non-standard procurement was made disclosed.

In general, the application of non-standard procurement method coupled with the insufficiency of availed documents have deterred the Assurance Professional to make informed judgment on the tender process of work contract 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.

5.3 Disclosure of contract information

5.3.1 Overview of the contract

A contract agreement for the construction of 2B+G+11 Urban Integrated Land Information System Development Project was concluded on the 11th of August 2014 between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC.

The scope of the work includes the supply of materials, equipment and labour for the construction of the stated project. The commencement date and original period of construction were on 01/10/2014 and 540 Calendar days, respectively while the original intended completion date was on March 16, 2016. The Original Contract Price for the work amounts to ETB 166,258,403.47 (USD 5,791,563.15) inclusive of 15% VAT. It is noted that the work contract was not subjected to price adjustment.

Subsequent to the main contract agreements, six (6) more contract agreements were concluded between Ministry of Urban Development, Housing and Construction/ Federal Government Office Construction Project Office and Tekleberhan Ambaye Construction PLC for additions and/or omissions of work items in the construction of 2B+G+11 Urban Integrated Land Information System Development Project. Table 5 provides the details of agreements succeeding the main contracts while their impacts on contract price and time will be discussed in proceeding sections.

Table 5: Additional contract agreements ensuing the main contract

Contract agreement	Date	Amount (with 15% VAT)	
		ETB	USD
Main contract	August 11, 2014	166,258,403.47	5,791,563.15
Supplementary agreement No 1	November 3, 2016	10,148,855.31	353,532.42
Supplementary agreement No 2	January 16, 2018	14,579,326.34	507,866.59
Variation order No.1	June 12, 2015	9,032,566.42	314,646.83
Variation order No.2	December 17, 2015	(2,050,049.71)	(71,412.89)
Variation order No.3	December 17, 2015	1,189,641.37	41,440.81
Variation order No.4	February 28, 2015	(38,735,230.14)	(1,349,330.48)
Total		**160,423,513.07**	**5,588,306.44**

An advance payment amounting ETB 33,251,680.69 (USD 1,158,312.63) inclusive of 15% VAT was effected to the contractor on 12th of December 2014 and in the course of the work execution eleven (11) interim payments were paid.

The final payment certificate (No 12) amounting ETB 25,714,276.11 (USD 895,749.33) including a net payable 15% VAT of ETB 3,439,292.10 (USD 119,806.74) was certified and approved by the consultant and the client on 25/05/2018 and 29/06/2018, respectively. As of June 29, 2018 the total value of work executed and materials supplied including 15% VAT amounts to ETB 160,423,513.07 (USD 5,588,306.44).

It is known that the master schedule is the construction execution plan for executing the project work and turnover to the owner while operating within the restraints of overall project financing, strategic schedule dates, project resources and contracting procedures. The documents that the PE availed show that the evaluation and approval of contractor's master schedule has involved the following two major stages:

1. The contractor submitted the revised master schedule on 29/10/2015 and the consultant had evaluated and approved the same on 06/11/2015 and instructed the contractor to proceed accordingly; and
2. On 15/01/2016 the contractor submitted revised working schedule in considering the additional time given that include work methodology, master schedule, cash flow, material consumption, manpower and equipment schedules for the consultant's approval and the latter did the same on 03/03/20016.

The original commencement and intended completion dates were on 01/10/2014 and March 16, 2016, respectively, which the latter was revised to be on December 26, 2016 due to three approved extensions of time that pushed forward the intended completion date by 278 Calendar days.

Table 6: Details of time approved extensions of Time (EOT)

Date of contract agreement	11th of August 2014
Starting date	1/10/2014
Original contract period (Cal days)	540
original intended completion date	16th of March 2016
Approved Extension of Time (EOT)	
First approved EOT (Cal days)	117
Second approved EOT (Cal days)	123
Third approved EOT (Cal days)	38
Total approved EOT (Cal days)	278
Revised contract time (Cal days)	818
Revised intended completion date	**26/12/2016**

In response to the claims the contractor filed for Extension of Time (EoT) No. 2, the consultant requested the client with supporting documents for approval on 03/06/2016 and the latter accepted 35% of contractor's claims as justifiable and approved 123 calendar days on 08/08/2016 (65 days later than the date of consultant's request).

Table 7: Approval of Time Extension No.2

#	Reasons for Contractor's claim	No of Calendar days		
		Claimed by the contractor	**Accepted by the consultant**	**Approved by the client**
1	Delay due to lack of construction permit	83	N/A	N/A
2	Re-claim for working space problem	21	N/A	N/A
3	Re-claim for incomplete architectural design	98	N/A	N/A
4	Reclaim for location problem of MDF	29	N/A	N/A
5	Lack of response on screen thickness increment	123	123	123
	Total	**354**	**123**	**123**

Partial Provisional Acceptance

on March 27/2018, representatives of the client, contractor and consultant; by the order their respective bodies and after due notification to all concerned parties, have examined contracts, drawings and specification and proceeded with the ascertainment of the completion and temporary acceptance of the project and it was indicated that the date for final acceptance would be on 27/03/2019.

Table 8: A summary of Information base for conducting provisional acceptance

Date when the contractor took possession of site:	01/10/2014
Agreed length of completion time:	540 Cal days
Commencement date:	01/10/2014
Original completion date:	24/03/2016
Actual completion date:	27/03/2018
Total number of delays:	733 days
Number of justified days of delay:	262 days
Number of unjustified days of delay:	471 days
Penalty of 471 days [ETB/USD]	2,988,927.94/104,118.44

Table 9: Computation of Liquidated damages

#	Description	Amount of undelivered works	Unjustified days of delay	Amount of damage per day (0.1%)	Max. amount of damage (10%)
1	Undelivered works after provided completion date	29,889,279.40	108	29.889.28	2,988,927.94

Table 10: Provisional acceptance history

Date	Description of happenings
12/10/2016	Contractor requested the consultant to make arrangement for provisional acceptance of the project
21/10/2016	Once again Contractor requested the consultant to make arrangement for provisional acceptance of the project
01/02/2009	The project owner/end user requested the client for the office spaces
08/02/2009	The client informed the project owner/end user to assign representative and inform them about the schedule of partial acceptance of the building
21/02/2009	The client notified to the Consultant, Contractor and owner that the intended date of partial provisional acceptance (expect site works and elevators) as 24/02/2009
20/07/09	The consultant notified the contract to correct the List of remarks on civil, electrical and sanitary works observed during site visit (13/7/2009) for provisional acceptance
09/11/2016	As per the standard condition of contract clause 48(2) certification if completion by stage - a site assessment was conducted by the representatives of client, contractor and consultant and a punch list was prepared for rectification, amendment, change or reconstruction as part of the Partial provisional acceptance
30/1/17	The consultant after reiterated that the "inspection of the works for substantial completion was made between November 09 and 11 by the representatives of the client, contractor and consultant". And instructed the contractor to rectify all the 4 pages of remarks to finalize the provisional acceptance process.
28/03/2010	The consultant notified the client that it has assigned 3 representatives for provisional acceptance and requested the same to assign representatives for acceptance planned to be convened on 03/04/2010EC.
11/12/2017	The contractor has requested the client for issuing of a provisional acceptance certificate while quoting the applicable clauses of GCC (86. Partial acceptance and 87. Provisional acceptance) stating that "it has been almost a year since the end users have occupied the building and the process of provisional acceptance has also been started right about that time which implies that the property has already been under your custody". Moreover, it has quoted clause 86.1 of GCC stating that" Any taking over of the structures, parts of the structures or sections of the works by the public body shall be preceded by their provisional acceptance

5.3.2 Analysis of the disclosed contract information

5.3.2.1 Issues related to contract Price

The Original and final Contract Prices inclusive of 15% VAT for the work contract amounts to ETB 166,258,403.47 (USD 5,791,563.15) and 160,423,513.07 (USD 5,588,306.44), respectively with overall changes of -3.5%. The disclosed documents reveal that the changes exhibited in table 11 resulting in amendment of contract were made as of August 2014. It is observed that the documents that the Procuring Entity disclosed do not adequately justify the changes with their associated effect on cost.

Table 11: List of project changes - variation orders

Descriptions	Supplementary agreement		Variation Work Order #			
	1	2	1	2	3	4
Date of contract agreement for	03/11/2016	16/01/2018	12/06/2015	17/12/2015	17/12/2015	28/02/2018
Reasons	Additional works are ordered by the employer.	Additional works are ordered by the employer	Additions	Additions & omissions	Additions	Additions & omissions
Effect on cost	10,148,855.31	14,579,326.34	9,032,566.42	(2,050,049.71)	1,189,641.37	(38,735,230.14)
Effect on time	38 Calendar days	Not specified	117 Calendar days	123 Calendar days		
Revised contract price			175,290,969.89	173,240,920.18	174,430,561.55	160,423,513.07
Revised contract period						

It is observed that most of the variations are caused by over-and-under quantification of work volumes and the amount due under the contract was settled by applying the original contractual unit rates to the quantities actually executed for the respective items. 91.5% and 8.5 % of the major variation order (No.4), for instance, were caused by under-quantified and missed work items, respectively.

Table 12: Details of supplementary agreements and variation orders

Change item	Amount with 15% VAT		
	Additions	**Omissions**	**Net (Additions-Omissions)**
Variation Order			
No.1	9,032,566.42	-	9,032,566.42
No.2	9,597,667.79	11,647,717.50	(2,050,049.71)
No.3	1,189,641.37		1,189,641.37
No.4	3,746,899.40	(42,482,129.54)	(38,735,230.14)
Total	**23,566,774.98**	**(30,834,412.04)**	**(30,563,072.06)**
Supplementary Agreement (SA)			
SA1	32,348,041.81	22,199,186.51	10,148,855.31
SA2	16,889,609.76	2,310,283.42	14,579,326.34
Total	49,237,651.57	24,509,469.92	24,728,181.65

5.3.2.2 Issues related to contract duration

The original commencement and intended completion dates were on 01/10/2014 and March 16, 2016, respectively, which the latter was revised to be on December 26, 2016 due to three approved extensions of time that pushed forward the intended completion date by 278 Calendar days thus showing a "behind schedule" condition with a time overrun of 51.5% .

5.3.2.3 Issues related to contract scope

As shown in table 13, the project has undergone with the significant scope changes which are attributed to additions and omissions that resulted from variation orders and supplementary contract agreements. It is, however, noted that the project documents have not justified the root causes of the additions and omissions reflected in the variation orders and supplementary agreements.

Table 13: Additions and Omissions associated with supplementary contracts and variation orders

Supplementary Contract #1

A	**Additions**	
1	Main Building	**27,914,563.75**
2	Entrance stair & ramp	**214,168.26**
	Total A	**28,128,732.01**
B	**Omissions**	
1	Main Building	**12,777,394.92**
2	Electrical site work	5,712,475.00
3	Sanitary site work	506,323.43
4	50m3 septic tank	307,447.09
	Total B	19,303,640.44
	NET:A-B	8,825,091.57
	15% VAT	1,323,763.74
	Total with VAT	**10,148,855.31**

Supplementary Contract #2

A	**Additions**	
1	Site work	8,671,130.05
2	Main building & site work	6,015,487.13
	Sub-total	14,686,617.18
B	**Omissions**	
1	Main building & site work	2,008,942.10
	Sub-total	2,008,942.10
	Net-sub total	12,677,675.08
	VAT (15%)	1,901,651.26
	Total with VAT	**14,579,326.34**

Variation Order 1

A	Additions	
	Sub-structure	
1	Excavation and Earthwork	137,551.75
2	Concrete works	1,568,969.70
	Sub-total A	**1,706,521.45**
	Super-Structure	
1	Concrete works	5,954,192.99
2	Block works	193,691.14
	Sub-total B	**6,147,884.13**
	TOTAL A+B	**7,854,405.58**
	15vat	1,178,160.84
	Total with VAT	**9,032,566.42**

Variation order 2

A	Additional Work	
1	Finishing work	8,345,798.08
	Sub-total A	8,345,798.08
B	Omission	
	Finishing work	10,128,450.00
	Sub-total B	10,128,450.00
	Net (A-B)	(1,782,651.92)
	15vat	(267,397.79)
	Total with VAT	**(2,050,049.71)**

Variation order 3

A	Additional Work	
	Sub-structure	
1	Excavation and Earthwork	1,034,470.76
	Sub-total A	**1,034,470.76**
	15vat	155,170.61
	Total with VAT	**1,189,641.37**

Variation work order #4

A	Additional work	
1	Addition/excess in quantity amount	3,258,173.39
	Total Addition	3,258,173.39
B	Omission work	
1	Omission/Less quantity amount	(33,814,638.50)
2	Omission work amount	(3,126,343.71)
	Total Omission	(36,940,982.21)
	Net Total	(33,682,808.82)
	15% VAT	(5,052,421.32)
	Total with VAT	**(38,735,230.14)**

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 Procuring entity has not made available project documents vital to understand the tender process adopted in the procurement of consultancy service thus deterred the Assurance Professional to make informed judgment on the tender process while in the procurement process of the work contract the PE had adopted non-standard procurement method with securing the prior approval the concerned government body.

No project document has been available to assess the performances phase I and II of the consultancy services. The Original and final Contract Prices inclusive of 15% VAT for the work contract amounts to ETB 166,258,403.47 (USD 5,791,563.15) and 160,423,513.07 (USD 5,588,306.44), respectively with overall changes of -3.5%. The disclosed documents reveal that the changes had resulted in amendment of the main contract as of August 2014. It is observed that the documents that the Procuring Entity disclosed do not adequately justify the changes with their associated effect on cost. Moreover, the project has undergone with the significant scope changes of which reasons are not adequately justified in availed project documents.

The original commencement and intended completion dates were on 01/10/2014 and March 16, 2016, respectively, which the latter was revised to be on December 26, 2016 due to three approved extensions of time that pushed forward the intended completion date by 278 Calendar days thus showing a "behind schedule" condition with a time overrun of 51.5%. In general, the documents that the PE availed adequately justify most of the reasons associated with extension of time.

Heeding the above stated results of the Assurance Process undertaken on the information extracted from the project documents availed by the PE, 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:

1. Non-standard work procurement process without securing the prior approval of concerned body.

2. No intended completion date was specified for Phase I of consultancy service.
3. The completion time for the works is not stated in supplementary contract agreement No. 2.
4. Service contract fee set up: Establishing fee budgets is highly specific to a project, site, time and circumstances. The nature of the individual project determines the scope of the required services and the necessary form of agreement. A suitable engineering fee budget thus shall be based on a well defined scope or work program and clearly defined parameters. Despite this, the documents that the PE availed do not rationalize the basis for setting the design and supervision fees.
5. It seems the disclosed documents interchangeably describe the project scope as 2B+G+12 and 2B+G+11.
6. The basis for computing the liquidated damages; how the PE set the rate and the number of days.
7. The reasons for lengthy process of provisional acceptance.

6.3 List of additionally required project documents

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

1) Correspondences associated with work procurement:
   - **20/08/2006:**
     - A copy of invitation (including the evaluation criteria) posted on the newspaper on 27/06/2006
     - Detailed technical evaluation report
     - How and why a fixed price construction contract approach was decided?
   - **11/9/2006**
     - Documents explaining What do we mean project type and size? Basis for prioritization of Contractors' performance?
     - How this particular project was assigned to TACON? The list of work contracts that were available on pipeline?
   - **22/11/2006**: A document showing how the unit price was approved?
2) Recent progress report
3) A copy of Construction permit
4) Consultancy implementation and completion reports, and
5) Procurement related materials.

ANNEX – PROJECT & CONTRACT INFORMATION DISCLOSURE

Annex 1: Schedule of documents disclosure

#	Project Implementation Stage	Documents to be disclosed	Documents Availability		
			Yes	No	Pages
1	**PROJECT IDENTIFICATION**	Inception & feasibility study document for the building project Implementation		✓	
2	**PREPARATION**				
2.1	Funding sources/ budget authorization process	Project cost estimation/Inception Assumptions, etc		✓	
		Budget approval process/ Project 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 design, construction Supervision and Contract Administration of Integrated Urban Land Information & Development Building Project	Notice of Invitation for EoI		✓	
		Expression of Interest (EOI) Assessment Report		✓	
		Invitation to bid		✓	
		Tender Evaluation Report - Technical		✓	
		Tender Evaluation Report - Financial/combined		✓	
				✓	
b	Work Contract - Construction of Integrated Urban Land Information & Development Building Project	Notice of Invitation to bids		✓	
		Tender Evaluation Reports		✓	
3.2	***Contract Award***				
a	Service Contract	Consultancy Service Agreement Between Ministry of Urban Development and Construction, and Defence Construction Design Enterprise for the Design of Standard G+10 Office Building (Federal Integrated Land Information System Development) on 27th June 2012			
b	Work Contract	– Contract document for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 11th of August 2014; – Supplementary Contract document No.1 for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction,			

#	Project Implementation Stage	Documents to be disclosed	Documents Availability		
		Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 3rd of November 2016;			
		– Supplementary Contract document for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 16th of January 2018			
4	**PACKAGE DELIVERY - IMPLEMENTATION & COMPLETION**				
a	Service contract	Consultancy completion report/ Audit and evaluation reports, if any		✓	
c	Work contract	Latest progress report: Progress report for the month of Hidar 2009 (Consultant to Client on 27/04/2009)		✓	
		Project Evaluation/audit report (quarter/annual or Final): – Minutes of Meeting dated on 05/01/2018 for a meeting held on 01/12/17; – Minute of progress review meeting conducted on March 21, 2018			
		Work Programme approved by the Engineer and subsequent updates: – Re-submittal of revised schedule: contractor to consultant on 18/02/2008; – Approval of revised master schedule: consultant to contractor on 26/02/2008 – A letter from Contractor to Consultant -Request for Approval of revised master work schedule : 06/05/2008; – A letter from Consultant to Contractor -Approval of revised master schedule : 24/6/2008			
		Final/Latest Interim Payment Certificate: Final payment order to finance directorate by client GM (22/10/2010), Final payment order to client by consultant (17/09/2010)			
		Design changes: Submission of site work design (Consultant to contractor) on 20/10/2008 [contractor requested for the design on 23/06/2016); Submission of Modification Design for previous Server Room on Ground Floor (Consultant to contractor) on 23/02/2016 [contractor requested for the design on 14/06/2008)			
		Claims and Variation Orders			

#	Project Implementation Stage	Documents to be disclosed	Documents Availability		
		– Contract Agreement for Variation Order No. 01 for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 12th of June 2015			
		– Contract Agreement for Variation Order No. 02 for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 17th of December 2015 – Client to consultant: Approval of variation order no 3 on 08/12/2015 – Contract Agreement for Variation Order No. 04 for the construction of 2B+G+11 Urban Integrated Land Information System Development Project (Office Apartment) between Ministry of Urban Development, Housing and Construction, Federal Government Office Construction Project Office and Teklebirhan Ambaye Construction PLC concluded on 28th of February 2018			
		Early Warning notices and Compensation Events			
		Provisional and final acceptance certificates – A partial provision acceptance (done on March 27, 2018) document – A letter from Contractor to Client -Request for issuing a provisional acceptance certificate – A letter from Consultant to Contractor on 30/1/17 -List of remarks to be rectified for provisional acceptance – A letter from Consultant to Contractor on 20/07/2009 -List of remarks observed during site visit (13/7/2009) for provisional acceptance – A letter from Client to Consultant, Contractor and owner on 21/02/2009 -Announcement for the intended date of partial provisional acceptance (expect site works and elevators) – A letter from Contractor to Consultant -Request for provisional acceptance : 12/10/2016 – A letter from Contractor to Consultant -Reminder for provisional acceptance :			

#	Project Implementation Stage	Documents to be disclosed	Documents Availability		
		21/10/2016			
		– A letter from Client to Consultant -Sending approved time extension No.2 : August 20, 2016			

Annex 2: Evaluation Criteria and points allocated for technical document of Grade 1 BC/GC

S/n	Criteria	Points
1	Annual volume of work for the last 5 years	20
2	Contracts of similar nature and complexity	20
3	Current contract commitment	5
4	Steel formwork	3
5	Concrete mixer (750 lts)	3.5
6	concrete mixer (350 lts)	3
7	Concrete vibrator	2
8	Dumper	1.5
9	30 KVA Generator	1.5
10	Mobile crane (Min. tower ht=20m, min. lifting capacity=6t)	2
11	Dump truck (10m3 and above)	1
12	Excavator or loader (1.4m3 and above)	2
13	Roller (10ton and above)	1.5
14	Surveying instrument (total station and level)	1
15	Transport vehicles	1
16	Jack hammer	1
17	Hand compactor	1
18	Project Manager	10
19	Profitability	5
20	Liquid asset	10
	Total points (95%)	95