



Construction Sector Transparency Initiative (CoST- ETHIOPIA)

FINAL REPORT

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

Procuring Entity: Adama Science and Technology University

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NOTICE

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ACRONYMS/ ABBREVIATIONS

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

EXECUTIVE SUMMARY

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

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

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

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

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

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

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

price inclusive of a 15% VAT was ETB 391,575.00, while the original scope of services to be rendered by the Consultant was to undertake the site survey, design and bidding documents preparation activities for the construction of of hospital OPD, MPH and business complex buildings locations. It is observed that Service contract I was completed without significant changes in contract price, contract duration and scope.

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

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

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

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

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

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

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

- As of February 21, 2008 the overall changes to the original contract price was 24.48%. The total contract price adjusted for the last variation order and previous variations is ETB 165,893,918.05 including 15% VAT.
- The original period of construction was 12 months including 10 days of mobilization period while the intended completion date was on January 24, 2015. It is noteworthy that the mobilization time given to the contractor is not sufficient enough so as to undertake among others pre-construction planning which is one of the key factors for project success. As of May 31/2018 (intended revised completion date), 434% of the contract period (1584 days) had been elapsed thus showing a "behind schedule" condition with a time overrun of 334%.
- The project has undergone with the significant scope changes which are attributed to the following reasons explained in the availed documents. In a bid to adequately justify the significant scope changes, the PE shall provide clarification for the issues stated in the proceeding section.

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

a) Procurement process of service contract II

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

b) Procurement process of service contract II

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

- The monthly reimbursable amount(ETB 21,000.00) that formed the financial offer of the selected bidder should have been multiplied by the number of months/contract period so as to compute the financial offer thus calling for further explanation by the PE.

c) Procurement process of work contract

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

d) Implementation process of Service Contract II

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

e) Implementation process of work contract

- The project has undergone with the significant changes with regard to contract price, duration and scope which are attributed to reasons primarily associated with poor project preparation that are adequately explained in the availed documents.

f) General

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

1. INTRODUCTION

1.1 Background

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

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

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

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

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

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

In response to the draft assurance report on the subject project, ASTU has given its comments and clarifications with additional disclosures on procurement and contract implementation processes in September 2018. Moreover, a one-day validation session was held at the end of October 2018. Having assessed and incorporated ASTU's valid comments on the draft report and convincing points raised during the validation session, this final report is thus prepared to

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

1.2 Objectives of the assurance process

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

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

1.3 Challenges of the assurance process

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

2. DISCLOSURE OF PROJECT INFORMATION

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

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

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

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

Table 1: Overview of project identification

Project identification variable	Description
Project location	Within the premises of ASTU's main campus, Adama City
Project scope	A Basement + G+2 building with separate main hall having the accommodation capacity of 3000 seats.
Purpose of the project	To create an indoor space whereby the university communities congregate in for various events and for income generation.
Undesired impacts of the project	It is difficult to make an informed judgment on the impacts of the project as the PE hasn't availed any document related to preliminary statutory requirements such as environmental impacts assessment study report.
Source of funding	The government FDRE
Original project cost	<ul style="list-style-type: none"> - Service contract I - 391,575.00 - Service contract II - 2,285,050.00 - Work contract - 133,265,354.00 - Total - 135,941,979.00
Original project duration	<ul style="list-style-type: none"> - Service contract I - 6 months - Service contract II/ Work contract - 12 months

3. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 1

3.1 Disclosure of procurement information

3.1.1 Overview of the procurement process

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

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

Table 2: Notification letter of bid evaluation result to bidders

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

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

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

3.2 Disclosure of contract information

3.2.1 Overview of the contract

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

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

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

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

3.2.2 Verification of the disclosed contract information

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

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

3.2.3 Analysis of the disclosed contract information

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

3.2.3.1 Issues related to contract Price

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

3.2.3.2 Issues related to contract duration

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

3.2.3.3 Issues related to contract scope

The consultancy service was completed without any significant scope changes.

4. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 2

4.1 Disclosure of procurement information

4.1.1 Overview of the procurement process

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

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

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

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

Table 3: Evaluation criteria extracted from the tender document

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

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

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

Table 4: Summary of technical bid evaluation results

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

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

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

Table 5: Financial evaluation result

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

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

Table 6: summary of combined technical and financial evaluation result

No	Bidders' name	Technical Evaluation Result		Financial Evaluation Result		Combined Evaluation Result	
		technical score (100%)	Weighted technical score (80%)	financial score (100%)	Weighted financial score (20%)	Total score (100%)	Rank
1	Habtamu International Consulting Architects and Engineers PLC	85.92	68.74	100	20	88.74	1
2	Yohannes Abbay Consulting Architects and Engineers	74.55	59.64	72.11	14.42	74.06	2

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

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

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

4.1.2 Verification of the disclosed procurement information

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

The documents that the PE has availed with regard to the procurement process of Service Contract II (Consultancy Services for Construction Supervision and Contract Administration for

Multipurpose Hall (MPH) & other projects) are ITB & Bid document for open tender, Financial and combined technical and financial evaluation report evaluation report (October 30, 2013) , and Letter of Acceptance. The PE has failed to make available a separate document showing the detailed technical evaluation process.

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

4.1.3 Analysis of the disclosed procurement information

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

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

Table 7: A framework for procurement process evaluation

Principles of Public Procurement	Narration of evaluation basis
Ensure value for money (VfM)	The PE's effort to ensure economy, efficiency and effectiveness in the use of public fund for procurement
Non-discrimination among candidates	<ul style="list-style-type: none"> • <u>Compliance with rules of advertisement</u> <ul style="list-style-type: none"> - 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> <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - whether a complete and clear tender document (including procurement decision criteria) is prepared, and - decisions taken on each procurement stages must be made transparent to all concerned parties/ notification of bid evaluation results to all at the same time.

4.1.3.1 Compliance of the procurement process with the rules of advertisement

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

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

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

4.1.3.2 Efficiency of the procurement process (Timeliness)

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

Table 8: Milestones regarding the procurement process

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

Table 9: Analysis of the Procurement Process

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

Findings and Identified issues of concern regarding Procurement Stage

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

4.1.3.3 Fairness of the procurement rules on participation

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

a) Objectivity of the tender evaluation and award criteria

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

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

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

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

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

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

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

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

b) Fairness in procurement packaging

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

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

4.1.3.4 Transparency of the tender evaluation process

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

4.1.3.5 Competitiveness of the award price

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

4.2 Disclosure of contract information

4.2.1 Overview of the contract

a) Main Contract

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

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

Table 11: Original contract periods

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

Table 12: Breakdown of main contract agreement

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

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

b) Supplementary contract

The supplementary agreement 1 for MPH and other buildings Contract Administration and construction supervision consultancy service was concluded on April 21, 2017. In the Supplementary agreement, the parties have agreed to vary the time clause of the original agreement clauses so as to reduce the volume of the assignment under the contract and adjust the contract price for the contract time and volume of the services.

Table 13: Breakdown of contracts

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

4.2.2 Verification of the disclosed contract information

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

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

4.2.3 Analysis of the disclosed contract information

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

4.2.3.1 Issues related to contract Price

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

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

4.2.3.2 Issues related to contract duration

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

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

4.2.3.3 Issues related to contract scope

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

5. PROCUREMENT AND CONTRACT INFORMATION DISCLOSURE - CONTRACT 3

5.1 Disclosure of procurement information

5.1.1 Overview of the procurement process

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

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

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

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

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

On 19/09/13, the V/president for administration had notified the technical evaluation result shown in table 14 below to the bidders. Through the same letter, the responsive bidders were notified to participate on the financial proposals opening session which would be conducted on 23/09/2013 @ 10.00 AM at ASTU, purchasing and property administration directorate director office.

Table 14: Technical evaluation results

S/n	Bidders' name	Code	Point scored	Rank	Responsiveness/Non-	Remark
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Procuring Entity	Project	Page 15
Adama Science & Technology University	Construction of Multipurpose Hall	

			(%)		responsiveness	
1	Tewodros Abera Building Contractor	A	70.9	2	R	
2	Afro-Tsion Construction PLC	B	87.9	1	R	
3	Koracon Construction PLC	C	57.09	3	NR+	
4	Bereket Endashaw BC	D	38.87	4	NR+	
5	Teklebrhan Ambaye Construction PLC	E	-	-	-	Rejected*

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

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

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

Table 15: financial evaluation results

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

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

Table 16: summary of combined technical and financial evaluation result

S/n	Bidders' name	Technical results		Financial results		Combined result	
		(100)	(60)	(100)	(40)	(100)	Rank
1	Afro-Tsion Construction	87.9	52.74	93	37.21	89.95	1

	PLC						
2	Tewodros Abera Building Contractor	70.9	42.54	100	40	82.540	2

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

5.1.2 Verification of the disclosed procurement information

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

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

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

5.1.3 Analysis of the disclosed procurement information

5.1.3.1 Compliance of the procurement process with the rules of advertisement

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

5.1.3.2 Efficiency of the procurement process (Timeliness)

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

Table 17: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids	4-Feb-13
B	Deadline for submission of bid/Bid opening date	11-Mar-13
C	Establishment of TEC	23-Apr-13
D	TEC submitted the result for approval	13-Jun-13
E	Notification of Technical Evaluation Result	19-Sep-13
F	Opening of Financial Proposal	23-Sep-13
G	TEC requested to conduct the combined evaluation	23-Sep-13
H	Award recommendation by TEC	21-Oct-13
I	Contract signing date	15-Jan-14

Table 18: Analysis of the Procurement Process

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

Findings and Identified issues of concern regarding Procurement Stage

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

5.1.3.3 Fairness of the procurement rules on participation

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

a) Approach in determining the successful bid

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

Article 16.8.3 (b) of the federal procurement directive stipulates that the public body who desires to use the above selection criteria shall make sure whether a value offered by a bidder in addition to the minimum requirement would bring extra benefit to the Public Body, and whether the extra benefit, if any, is significant. Despite these, the documents that the PE availed do not

justify the reasons why it was necessary to allocate 0.6 and 0.4 weights to the technical and financial offers, respectively.

b) Rejection criteria

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

5.1.3.4 Transparency of the tender evaluation process

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

5.1.3.5 Competitiveness of the award price

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

5.2 Disclosure of contract information

5.2.1 Overview of the contract

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

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

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

- i. Unskilled and semi-skilled labour: Only Ethiopian nationals shall be employed as unskilled labour, and Only Ethiopian nationals shall be employed as semi-skilled labour unless the contractor can demonstrate that no suitably trained Ethiopian nationals are available,

- ii. Rates of wages and conditions of labour: The contractor shall pay rates of wages and observe employment conditions not less than those established work is being carried out. In the absence of any established rates or conditions in the locality, the contractor shall follow those by other employers for similar trades and industries.

The scope of the work includes the supply of materials, equipment and labour for the construction of one block of multi-purpose hall consisting of substructure and superstructure works including various electro-mechanical works. The original period of construction was 12 months including 10 days of mobilization period while the intended completion date was on January 26, 2015 (as the actual date of commencement was on January 27/2014). The Original Contract Price for the work amounts to ETB 133,265,354.55 ETB including 15% VAT.

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

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

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

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

Table 20: List of project changes - variation orders

Descriptions	Variation order #		
	1	2	3
Major parts in which variation works were given	<i>Additions</i> (Block works, roofing, metal works, steel structure, finishing works, Electrical installation, Sanitary installation and site works)	<i>Additions and omissions</i> (Carpentry and Joinery, metal works, steel structures, mechanical and electrical works); <i>Omissions</i> (Roofing, finishing and site works)	<i>Additions</i> (Roofing, Steel structures, Finishing works, Electrical installation and Site works) Additions and omissions (Carpentry and Joinery, and Metal works)
Reasons/ Justifications for variation	<ul style="list-style-type: none"> ▪ Some of the work items described above are missed work items resulted from the inadequacy and incompleteness of the design and specifications; the mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ; ▪ Consultant's contractual default in handling and administering the project ; ▪ Alteration of sub-standard materials for some work items under the variation works, and ▪ Absence of some materials/equipments readily available on the local market 	<ul style="list-style-type: none"> ▪ Some of the work items described above are missed work items resulted from the inadequacy and incompleteness of the design and specifications; the mismatch/discrepancy between the drawing and specifications and/or the discrepancy between drawings and BOQ; the interest of ASTU; under-estimated quantity, and unforeseen site conditions. ▪ Consultant's contractual default in handling and administering the project; ▪ Alteration of sub-standard materials for some work items under the variation works, and ▪ Absence of some materials/equipments readily available on the local market 	<ul style="list-style-type: none"> ▪ Those addition work items to the main contract as a result of: omission in the original design; unforeseen conditions; client's mind change; mismatch between drawings- BOQ and drawings-specification; inadequacy of the design works and alteration/updating of some finishing materials, etc. Hence, inclusion of those missed work items and reconciling of discrepancies in the documents under the contract as variation was mandatory for completeness and proper functionality of the building under consideration; and ▪ The work items described under omission are resulted from undesirability of some work items that were unnecessarily incorporated in the contract which do not significantly affect the functionality of the facility under the contract;
Status of variation	On 02/02/2016, the consultant- Habtamu International Consulting Architects and Engineers PLC (in collaboration with the contractor) submitted to ASTU the revised BOQ and cost breakdowns and later the project office evaluated the proposed rates and submitted its recommendation to the concerned body. Consequent to this, the Administration council of ASTU endorsed	On 02/02/2016, the consultant- Habtamu International Consulting Architects and Engineers PLC (in collaboration with the contractor) submitted to ASTU the revised BOQ and cost breakdowns and later the project office evaluated the proposed rates and submitted its recommendation to the concerned body. Consequent to this, the Administration council of ASTU endorsed the unit rates for variation works	In response to the consultant's (named ASPIRE AECOM Architectural and Engineering PLC) proposal, ASTU notified the consultant about the approved VO #3 & requested the same for issuance of Engineer's order on 21/02/2018.

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

Table 21: Original contract, Additions and Omissions

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

5.2.2 Verification of the disclosed contract information

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

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

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

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

5.2.3 Analysis of the disclosed contract information

5.2.3.1 Issues related to contract Price

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

Table 22: Summary of variations effect on contract price

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

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

5.2.3.2 Issues related to contract duration

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

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

5.2.3.3 Issues related to contract scope

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

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

6. CONCLUSION AND RECOMMENDATION

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

6.1 Conclusion

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

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

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

Procuring Entity	Project	Page 25
Adama Science & Technology University	Construction of Multipurpose Hall	

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

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

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

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

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

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

6.2 Issues recommended for PE's clarification and further review

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

a) *Procurement process of service contract II*

- Insufficient floating period set for the preparation of bid,
- The opening of the envelopes containing the financial proposals earlier than the required disclosure period of technical evaluation results,
- The objectivity of the evaluation criteria (firm's relevant experience (20)) applied in making the procurement decision,
- The time input (232 days) for the procurement of the service does not ensure the required efficiency in the execution of public procurement.
- The packaging of the procurement needs in a way that doesn't widen the opportunity of competition for the other suppliers in the suppliers list to sale their services.

- The competitiveness of the award price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of public procurement.
- The monthly reimbursable amount(ETB 21,000.00) that formed the financial offer of the selected bidder should have been multiplied by the number of months/contract period so as to compute the financial offer thus calling for further explanation by the PE.

b) Procurement process of work contract

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

c) Implementation process of Service Contract II

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

d) Implementation process of work contract

- The project has undergone with the significant changes with regard to contract price (24.48% cost overrun), duration (334% time overrun) and scope which are attributed to the reasons primarily associated with poor project preparation that are adequately explained in the availed documents.

e) General

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

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

- Procurement documents related to service contract I (such as Invitation to bid, Tender Evaluation Report - Technical and Tender Evaluation Report, and Financial/combined), and
- Technical Evaluation Report - Service Contract II.

ANNEX

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

Identification

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

Preparation

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

View 1 (Contract Extend Information)

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

View 4 (Contract Extend Information)

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

Annex 2: List of disclosed initially documents

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

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

Annex 3: Assessment of ASTU's Comments on Draft Quality Assurance Report

S/n	Issues identified in the draft assurance report for the PE's clarification & further review	Clarification Provided by ASTU(PE)	Additional document provided by the PE	AP's Response/ action taken
1	Service Contract I (Design and related CS)			
2	Service Contract II- Contract Admin &Construction Supervision CS			
a)	Procurement Process			
2.1	Insufficient floating period set for the preparation of bid	<ul style="list-style-type: none"> The comment is acknowledged and will be considered in future procurement processes. 		It is commendable that ASTU has given due attention to the matter.
2.2	The opening of the envelopes containing the financial proposals earlier than the required disclosure date of the technical bid evaluation results	<ul style="list-style-type: none"> The disclosure period was taken as calendar days by mistake instead of working days 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
2.3	The objectivity of the evaluation criteria (firm's relevant experience/20%) applied in making procurement decision	<ul style="list-style-type: none"> The weight given for specific experience was set with an objective of hiring well experienced consultant for the required consultancy service which is wide and complex in nature 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
2.4	Time input (232 days) utilized for the procurement of the service doesn't ensure the required efficacy (timeliness) of the execution of public procurement.	<ul style="list-style-type: none"> As there was no adequate budget assigned for this particular project at the early stage of bid process, finalization of the procurement process was delayed until the budget issue was settled upon dealing with MoFEC 	Refer Annex (Pages 1-2)	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
2.5	The packaging of the procurement didn't give opportunity of competition for other suppliers in the suppliers' list to sale their service	<ul style="list-style-type: none"> Limited capacity of the university in managing many consultants at a time 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
2.6	The competitiveness of the award price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of the public procurement	<ul style="list-style-type: none"> The university procured the service via the most appropriate procurement method in accordance with article 15, sub article 15.2 of the Federal Public procurement Directive, set clear evaluation that met the standard set by the Federal PPA for such consultancy service invited interested bidders via Ethiopian Herald(with wide range of coverage) and selected the winner bidder among the bidders participated in the bid and qualified for financial competition. Moreover, it was 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT

S/n	Issues identified in the draft assurance report for the PE's clarification & further review	Clarification Provided by ASTU(PE)	Additional document provided by the PE	AP's Response/ action taken
		made sure that the award price was less than the price offered by other bidder		
2.7	The monthly reimbursement amount (ETB 21,000) that formed the financial offer of the selected bidder should have been multiplied by the number of months/contract period so as to compute the financial offer	<ul style="list-style-type: none"> ▪ The comment is fully acceptable. But it is checked that the mistake committed brought no change on the positions of the bidder involved and no negative impact on the overall procurement process. 	Annex from Pages 3 to 13	It is commendable that ASTU has given due attention to the matter.
b	Implementation process			
2.8	The significant changes observed with regard to the overall contract price and duration of the consultancy service while no significant changes have been made with regard to scope of service	<ul style="list-style-type: none"> ▪ The change on overall contract price and duration of the service is attributed to consultant's failure to timely and adequately discharge its contractual obligations (that led the contract to termination but reinstated after long months based on the direction set by PPA), and occurrence of variation works mainly due to incomplete design & discrepancies between drawings and specifications which in turn imposed the project to delay beyond its initial contract period 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
3	Contract III - Works Contract			
a	Procurement process			
3.1	Unjustified rejection criteria and approach applied in determining the successful bidder	<ul style="list-style-type: none"> ▪ The approach/method used in determining the successful bidder was selected between the two methodologies defined in the Federal Public Procurement Directive under clause 16 sub-clause 16.8 (2) and the university clearly indicated the detail bid evaluation criteria applicable to the bid in the bidding document. ▪ As two bids for different lots (one for MPH project for Adama Campus & the other for outpatient department building for Asela healthy Campus) floated at the same time and to avoid award of multiple lots to one bidder, the 	Refer annex from pages 14 to 16	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT

S/n	Issues identified in the draft assurance report for the PE's clarification & further review	Clarification Provided by ASTU(PE)	Additional document provided by the PE	AP's Response/ action taken
		university set a clear mandatory criteria in the bidding document for bidder interested to involve in both bids. In the evaluation process of the bid, one bidder failing to notify its priority bid was automatically rejected		
3.2	Time input (344 days) for the - procurement process of the work does not ensure the required efficiency in the execution of the public procurement	<ul style="list-style-type: none"> Since no adequate budget was assigned for the project at the early stage of bid process, finalization of the procurement process was delayed until the budget issue was settled upon dealing with MoFEC. 	Refer 2 sheets of budget approved for the project before adjustment (annex from page 17-18)	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
3.3	No international firm was participated in the bid though the bidding was ICB	<ul style="list-style-type: none"> The university invited all interested bidders via Ethiopian Herald having wide coverage and no limitation was made on international firms not to involve in the bid 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
3.4	The competitiveness of the award - price was not verified thus causing a concern on the PE's effort to ensure economy in the execution of the public procurement	<ul style="list-style-type: none"> In addition to the comparison made among the bidders, the university had compared the price offered by the winning bidder against the Engineering Cost Estimation and made sure of that the award price is less than it and hence this procurement ensured economy. 	Refer Engineering cost estimation document already submitted	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
b	Implementations			
3.5	The contract is not subjected to - price adjustment III accordance with clause 47, sub-clause 47.1 of The GCC and the new procurement directive issued on Sene 2002EC	<ul style="list-style-type: none"> The Initial Contract Period for the project is only 12 calendar months. In accordance with clause 16 sub clause 16.14 (2) of the Federal PPA (Sene 2002EC), price adjustments are allowed in respect of works contracts, after 12 months from the effective date of such contracts. 	Refer annex (pages 19-20)	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY
3.6	It is noted that under the special - condition of Contract (GCC clause reference 1.1) the Engineer is to be nominated later, start date shall be 10 (ten) days after signing and	<ul style="list-style-type: none"> The Engineer of the Project was notified to the Contractor & all concerned bodies via letter ref. no. 7/3.1.7/7m38417/14 dated on 16 Jan 2014 through the contract document was distributed and the Contractor was ordered to handover the site and thereby to commence the physical work within 10 	Refer annex (pages 21-22)	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY

S/n	Issues identified in the draft assurance report for the PE's clarification & further review	Clarification Provided by ASTU(PE)	Additional document provided by the PE	AP's Response/ action taken
	carrying out site possession	days as of signing of the contract.		
3.7	<p>In a bid to adequately justify the significant scope changes, the PE shall provide clarifications for the issue stated hereunder</p> <ul style="list-style-type: none"> ▪ The added and omitted activities (including materials) ▪ Items that correspond to client initiated changes ▪ Further information about- Consultant's default in handling and administering the project as well as the service contract reinstatement issue ▪ Activities affected by mismatch/ discrepancy bin the drawing and specification and/or discrepancy bin drawings and BoQs 	<ul style="list-style-type: none"> ▪ All variation work items (both additions and omissions) are clearly shown on the approved variations documents (Variation orders #1- #3) already provided to CoSTE. ▪ These items include solid wooden doors instead of semisolid wooden doors for main entrances, epoxy floor finish material, etc ▪ Document describing defaults of the consultant in handling and administering the project and termination process of the contract is attached here with this paper. ▪ Reinstatement of contract was made between the two parties based on the direction given by the Federal PPA following the termination of the contract by the university and complain presented to the Agency by the Consultant ▪ Work items such as aluminum windows/door windows, roof structures, electro-mechanical equipment, etc 	<p>Refer to previously submitted variation documents & contract summary annex (Page 122-187)</p> <p>Refer annex (Page 23-62)</p>	<p>ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY</p>
C	General to all Contracts			
3.8	In all procurement processes only two firms had passed to the financial evaluation stages thus implying the award price were decided with narrow scope of competition	<ul style="list-style-type: none"> ▪ The university used open tendering method; set clear and fair evaluation criteria; and invited all interested bidders to participate via media having wide coverage (Ethiopian Herald Newspaper); and fairly evaluated the bids in accordance with the set criteria. 		<p>NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT</p>

S/n	Issues identified in the draft assurance report for the PE's clarification & further review	Clarification Provided by ASTU(PE)	Additional document provided by the PE	AP's Response/ action taken
3.9	The comments & verifications - (including signature) of procurement endorsing committee are not shown in the procurement documents made available.	<ul style="list-style-type: none"> The procurement endorsing committee has used meeting minutes to endorse the bid evaluation results and other issues coming to its desk. But in future the committee will consider the comments given in this regard. 		It is commendable that ASTU has given due attention to the matter.
3.10	Additional project documents required:	<ul style="list-style-type: none"> The letters requested are attached with this document 	Refer annex from pages 63 to 66	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY
i.	<ul style="list-style-type: none"> The letter though which the Employer instructed the Consultant to issue the necessary instruction to the Contractor and Consultant's letter (ref. no6172/02/16 date 19/02/2016) that recommends the profit margin and overhead margins for Grade 1 Contractor 	<ul style="list-style-type: none"> The letters requested are attached with this document 	Refer annex from pages 63 to 66	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY
ii.	<ul style="list-style-type: none"> The 5 pages (showing total cost of variation works) enclosed with the letter sent to PPA on 20/10/2008 	<ul style="list-style-type: none"> From 5 pages enclosure sent to PPA via the mentioned letter only two pages of document is relevant to multipurpose Hall project. The two pages of document with pertinent letter are attached herewith for reference. 	Refer annex from pages 67 to 70	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY
iii.	<ul style="list-style-type: none"> Contract agreement document with Aspire AECOM consulting architects and Engineers Plc 	<ul style="list-style-type: none"> All contract documents signed with this Consultant (Habtamu International Consulting Architects and Engineers which later changed its name to Aspire AECOM Consulting Architects and Engineers plc) had already submitted to CoST-Ethiopia. 	Refer annex from pages 71 to 77	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY
iv.	<ul style="list-style-type: none"> Procurement documents related to service Contract I (such as Invitation to Bid, Tender Evaluation reports) 	<ul style="list-style-type: none"> Will be provided as we are searching for them 		NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
v.	<ul style="list-style-type: none"> Technical bid evaluation report for service contract II 	<ul style="list-style-type: none"> Though not official the report is attached 	Refer annex from pages 78 to 100	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT
vi.	<ul style="list-style-type: none"> Work Program approved by the Engineer and subsequent updates 	<ul style="list-style-type: none"> Document attached 	Refer annex from pages 101 to 121	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY

