



## **Construction Sector Transparency Initiative- Ethiopia (CoST-Ethiopia)**

### **Assurance Report on Reactive Disclosed Project and Contract Information of Assosa University Phase Four Dormitory Building Constructions**

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## **Acronyms**

AAHCPO - Addis Ababa Housing Construction Project Office

AP- Assurance Professional

CoST - Construction Sector Transparency Initiative

EIA - Environmental Impact Assessment

ETB - Ethiopian Birr

FDRE - Federal Democratic Republic of Ethiopia

FPPAA Federal Public Procurement and Property Administration Agency

IDS- Infrastructure Data Standard

MoE- Ministry of Education

MoU-Memorandum of Understanding

NMSGEC - National Multi-Stakeholder Group Executive Committee

PE - Procuring Entity

PLC - Private Limited Company

RAP - Resettlement Action Plan

RFP - Request for Proposal

ToR – Terms of References

VAT - Value Added Tax

## 1. Executive Summary

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

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

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

Service Contract 1. Standard Design and Tender document preparation for Ten Universities. This service contract has been done during phase one of the design period by MH Consulting PLC, which was envisaged to be carried out in 6 month time with a contract amount of 6,667,493 ETB.

The original contract price of the agreement that was signed between the Ministry of Education and MH Engineering PLC, for standard design and tender document preparation was a lump sum of 6,667,493 ETB ( six million six hundred sixty seven thousands and four hundred ninety three ETB), including 15% VAT and other taxes. Other than the above stated consultancy services, there is no information related to consultancy services on studies related to: environmental and social impact assessment, environmental protection, resettlement action plan and mitigation measures on surrounding areas during and after the construction of the dormitories.

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

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

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

The selection process of contractors was done based on direct selection process by taking into account their pervious track records in construction completion performances. Here it is the Addis Ababa Housing Development Project Office that directly nominated contractors and subsequently sent their names<sup>1</sup> to the university.

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

The assignment of the project includes the following activities:

- ✓ Services Contract I, Standard Design and Tender Document Preparation for Ten Universities is handled by MH Consultant;
- ✓ It is observed that Service Contract II, Design Review, Supervision and Contract Administration is handled by SG Consultant; and during the assessment there were significant changes in total amount contract cost and contract duration but there is no change in scope.

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

- ✓ Services Contract III, Supervision of final acceptance is handled by Habtamu International PLC.
- ✓ The work contract, the construction dormitory by four contractors.

With regard to consultancy services and construction of dormitory in phase four, the following issues are explain based on findings during disclosure time:

**a) Procurement process of service contract I**

The major documents (such as minutes, selection criteria, negotiation letter, award letter, contract document and the ToR), which are important to understand the tender process and the overall consultancy services, are not available by the PE. The incompleteness and absence of the documents make it more difficult to deliver full information by the Assurance Professional. In this regard the Assurance Professional has faced challenges to assure service contract I; which on the other hand makes services contract I incomplete. The only available document is a letter which shows the contract amount. There is no any document that tales about the change of cost and scope during service contract period. The details are stated in chapter 3 and 4.

**b) Procurement process of service contract II**

The same as service contract I, major documents for service contract II (such as advertisement on the newsletter, registration record of the contractor who purchased and submitted the tender document, tender evaluation criteria) which are important to understand the tender process, are not available by the PE. The only available document is technical evaluation result and the financial offer. The incompleteness of the documents makes it more difficult to deliver full information by the Assurance Professional. In fact the Assurance Professional faces challenge to assure the purchase process of services contract II because of absence of such documents. The only available document is the contract agreement and evaluation result. There is no any document that tales about change of scope, despite the significant change made in the consultancy fee compared to the total contract amount. The details are stated in chapter 3 and 4.

**c) Procurement process of service contract III**

The same as service contract I and II, major documents for contract III, such as: advertisement on the newsletter, registration record of the contractor who purchased and submitted the tender document, tender evaluation criteria which are important to understand the procurement process are not available by the PE. In this respect the existing documents are not complete to justify the completeness of the procurement process; and thus the Assurance Professional faces challenge in assuring the completeness of the purchasing process of services contract III. The only



available document is the contract agreement and evaluation result. There is no any document that tales about change of scope and contract amount. The details are stated in chapter 3 and 4.

### **Procurement process of work contract**

The procurement process of work contract is undertaken based on the contractor's pervious performance in Housing Development Project. Documents such as: minutes, selection criteria, negotiation letter in unit rate, award letter, which are important to understand the procurement process, are not available in the hands of PE. Incompleteness of the procurement documents makes it more difficult to the Assurance Professional to clarify the tender processes.

#### **I. United Construction PLC**

The main contract amount was 19,587,469 ETB, the variation order number is 1,445,926.3 ETB; and the adjusted price 2,243,571.9, including 15% VAT. The total amount of payment effected is 23,273,967.2 including 15%VAT ETB. The contract period based on the agreement was from April 17/2015 – Jan 16/2016; but provisional acceptance was given on October 29/2016. There was significant delay in undertaking the construction; and the reason behind the delay is not justified and documented in detail. The only justified days listed in the provisional acceptance letter.

#### **II. Rader Construction**

The main contract amount was 25,565,056.99 ETB; the variation order number is 92,803.39 ETB; and the adjusted price is 3,407,457.27, including 15% VAT. The total amount of payment effected is 29,065,317.84 ETB. The number of justified days for the delay is 234 days, and the unjustified days of delay are 26 days. The contract period based on the agreement was from April17/2015 – January 16/2016; but provisional acceptance was given on 17 Sept. 2016. There was significant delay in undertaking the construction; and the reason behind the delay is not justified and documented in detail. The only justified days listed in the provisional acceptance letter.

#### **III. Daniel Tsegaye Contractors**

The main contract amount was 25,565,056.99 ETB, the variation order number is 1,497,462 ETB; and the adjusted price is 2,728,408 including 15% VAT. The total amount of payment effected is 29,790,927.84 ETB. The number of justified days for the delay is 264 days, and the unjustified days of delay are 15 days. The contract period based on the agreement was from April 17/2015 – Jan. 16/2016; but the provisional acceptance was given on October 29/2016. There were significant delays

in undertaking the construction; and the reason behind the delay is not justified and documented in detail. The only justified days listed in the provisional acceptance letter.

#### **IV. Kidber Contractors**

The main contract amount was 21,748,910.45 ETB, the variation order number is 273,444.34 ETB, and the adjusted price is 2,354,283.07 including 15% VAT. The total amount of payment effected is 24,376,637.86 ETB. The number of justified days for the delay is 264 days, and the unjustified days of delay are 15 days. The contract period based on the agreement was from April 17/2015 – Jan. 16/2016; but the provisional acceptance was given on October 29/2016. There were significant delays in undertaking the construction; and the reason behind the delay is not justified and documented in detail. The only justified days listed in the provisional acceptance letter.

Price adjustments were made because of change of the prices of basic materials, which are listed in Table 7.

##### **d) Implementation of service contract I, II & III**

During the assessment time by the Assurance Professional, no document was found in the office of the PE that justifies change of scope during the contract period.

##### **e) Implementation of work contract**

During assessment time, it was observed that the contract was very much delayed-by 204% of elapsed time; and also there was significant change in the contract scope, time and cost due to additional works executed by all contractors.

##### **f) General**

The AP tried to get all the necessary procurement documents from the PE, but only few documents such as contract agreements of all the consultants as well as contractors' evaluation result for service contract II & III are available. Of course the contract agreements are available for both service contracts and work contracts except for service contract one. The procurement process was restricted with fixed unit rate for work contract, and as a result there was no competition. All the contractors completed their respective works, during the assurance period; and the final acceptance is under process.

## **2. Introduction**

The construction sector in Ethiopia plays a vital role in supporting social and economic development of the country and is making major contribution to the economic growth and poverty reduction of the country. However, mismanagement and corruption during planning and implementation process of construction projects could adversely affect the expected social and economic benefits.

The Construction Sector Transparency Initiative (CoST) is a multi-stakeholder initiative designed to increase transparency and accountability in the construction sector. In this respect, the mission of CoST is to enhance the transparency of a Procuring Entity (PEs) and construction companies by disclosing to the public information on construction projects at all stages of the project cycle - from initiation to final completion.

It is, however, recognized that the disclosure of this information on its own may not be sufficient in achieving greater accountability. This is because some of the information is likely to be complex and may not be understandable to the general public. An independent Assurance Professional (AP) is therefore appointed by the National Multi-Stakeholder Group Executive Committee (NMSG - EC) that will be responsible for assessing the adequacy and reliability of the disclosed project information and audit processes. Through periodic reporting system, the Assurance Professional will play an interpretative role in making data disclosures intelligibly understandable to the wider stakeholders in plain language.

A number of projects associated with housing construction, water development, road construction, etc. have been identified by NMSG-EC of CoST-Ethiopia. This report is therefore produced for Phase Four Dormitory Building in Assosa University, and it is prepared by the Assurance Professional, Demelash Betemariam.

Expansion of education is one of the major government agenda in an effort of attaining rapid socio-economic development in the country through Growth and Transformation Plan (GTP). To this end the government is expanding educational services, among other things, by opening new higher education institutions in the various corners of the country. Assosa University is among the 10 newly established universities for which constructions have been undertaken to provide the beneficiaries of education with the necessary facilities, amongst which are dormitories and associated facilities.

## **2.1. Objectives of the Assignment**

As described in the introduction part of this report, the Procuring Entities (PEs) are required to release information about the desired projects. In order to ensure the authenticity and acceptability of the information released by the Procuring Entities, it has to be analyzed and verified by experts of Assurance Professional who are appointed by the National Multi – Stakeholder Group Executive Committee (NMSG-EC) to look after the process of biddings and contract administration of such projects.

The objective of the assignment is therefore to evaluate the process followed by the procuring body and the level of transparency and governance of the on-going or accomplished projects. In this regard, the Assurance Professionals has two tasks: in the first place, they collect information and verify that the Infrastructure Data Standard (IDS) is both complete and accurate, and secondly the AP analyzes the disclosed data and interprets it so as to assure that the report is easily understandable by the wider public.

In general, the AP has to verify the source of the reports and has to confirm that the information is complete, accurate, and it is the latest version available by the time the report has been prepared.

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

1. Assure the accuracy and completeness of IDS disclosures by the PE;
2. Summarize extent and accuracy of information released for the selected CoST project;
3. Analyze the disclosed and demonstrate data in order to make informed judgments about the cost, time and scope aspects of the CoST Project; and
4. Organize and produce a report that are clearly intelligible to the non-specialist with plain language, by outlining the findings regarding the implementation process; and thereby highlights any concern of the projects through detail analysis of information of such CoST Projects.

The challenges of the assurance process are:

- ✓ Some of the documents such as: advertising paper, ToR, RFP, number of consultant and contractor who purchase and submit bid documents, evaluation criteria, disclosing system, contract document, bank guarantee, action plan, environmental impact assessment and mitigation measures

during and after construction of projects are not fully available in the hands of the procuring entity;

- ✓ Newly joined professionals of the procuring entity have little information about the Phase Four Project mainly because of absence of some important documents pertaining to the project;
- ✓ Documents pertaining to the project are not properly handled as a result they are found in a scattered manner and are not easily accessible;
- ✓ Because of absence of all the necessary documents, we could not justify or understand why time extension and delayed price adjustment was given to the contractors.

### 3. Disclosure of Project Information

#### 3.1. Project overview

The dormitory construction project is completed and provisional acceptance was given a year ago. Currently preparation is underway to give final acceptance and to this effect contractors are doing minor rehabilitation works. At present students in the main campus are getting dormitory services from the newly built buildings. Detailed engineering design and tender document for the project were prepared by MH Consultant and subsequently submitted to the Ministry of Education (MoE). The design review, supervision and contract administration has been undertaken by SG Consultant and the final acceptance work was managed by Habtamu International Consulting Architects and Engineers PLC. The government of the FDRE, represented by MoE, had allocated sufficient budget to finance payments for consulting services and work contracts forming parts of the implementation process of the projects of which important features are given in Table 1 below:

Table 1. Project description

No	Particulars	Description
1	Project name	Assosa University , Dormitory Construction
2	Region	Benshangule Gumize Regional State
3	Zone	Assosa City Administration
4	City	Assosa
5	Project owner	Assosa University
6	Number of consultant	Three
6.1	MH Consultants PLC	Standard design and tender document preparation for Ten Universities
6.2	SG Consultants PLC	Design review, supervision and contract administration
6.3	Habtamu International Consulting Architects and Engineers PLC and lately changed its name to ASPIRE AECOM Architects and Engineers PLC, but there is no legal document that indicates the changed company's name.	Supervision for Final Acceptance
7	Name of Contractors	Contracted dormitory
7.1	United Building Contractor	Lot 5 – Dormitory ( Do-T2) TV-210 and Do-T2-Tv-211)
7.2	Radar Building Contractor	Lot 1- Dormitory ( Do-T2-Tv, DO-T4-202 and DO-T2-TV-203
7.3	Daniel Building Contractor	Lot 4 - Dormitory ( DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213
7.4	Kidane Berihu Building Contractor and lately change its name to Kidber Building Contractor, but there is no legal document that indicates the changed company's name.	Lot 2 Dormitory ( Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir( -Tv-207)

The assignment of the project includes the following activities:

- ✓ Standard design and tender document preparation for Ten Universities handled by MH Consultant;
- ✓ Design review, supervision and contract administration handled by SG Consultant;
- ✓ Supervision of final acceptance handled by Habtamu International Consulting Architects and Engineers PLC ; and
- ✓ Work contract undertaken by: United Building Contractor, Radar Building Contractor, Daniel Building Contractor and Kidane Berihu Contractor.

The MH Consultant is in charge of undertaking consultancy service in standard design and tender document preparation; and the consultancy service period is 6 months. The consultant has undertaken his duty and responsibility within the given time frame and as a result he properly managed his assignment before the commencement of Phase Four contract agreement. In this respect, the standard design and tender document preparation by MH Consultant has successfully been done. In fact the inputs of MH Consultant in Phase Four Dormitory construction are standard design and tender document only.

After receiving the design and tender document from MH Consultant, the university carried out advertisement for design review, supervision and contract administration consultancy services. Even though the advertisement date and the newspaper, on which the advertisement was notified, is not available in the PE. The PE tender committee receives the technical and financial proposal from SG Consultant, Virtual Consultant, Acute Engineering Consultant, Dynamic Planner Consultant and Yohanes Abay Consultanting Engineers and Architects. Among them Virtual and Acute Consultants submitted copy of the document in one post instead of independently submit their respective copies in separate posts. On the other hand Yohanes Abay submitted the original document instead of a copy. It is worth noting that submission of two original documents does not qualify a candidate to pass to the next step, i.e. technical evaluation. In this regard only Dynamic Planner Consultant and SG Consultant were qualified for technical evaluation. The financial offering of the consultants is stated as follow:

- ✓ SG Consultant            2,058,500.00 ETB
- ✓ Dynamic Planner        3,481,641.20 ETB

It was SG Consultant that finally became the winner and subsequently signed the contract agreement with the University on May 08/2015; and the assignment was to be completed in a contract period of 24 months. Under the consultancy period, the

consultant not only the consultancy services for listed contractors but also there are others constructors which are not include in our assessment assignment. During the consultancy period, the consultant undertook only design review, supervision and contract administration until the provisional acceptance was done. Thus, the final acceptance supervision and contract administration is not included in the contract.

Assosa University had made invitation to consultants through *Addis Zemen* newspaper, dated on August 6, 2016 (ጥምሌ 30/2008 ዓ.ም) for those that had interest to enter into a bid to undertake new design work, design review, supervision and contract administration for different construction projects. During the invitation 13 consultants submitted their technical and financial proposals; and from among the 13 consultants only 4 of them passed the technical evaluation. Accordingly, final evaluations on both technical and financial proposals were made and the final winner of the bid became Habtamu International Consulting Architects and Engineers PLC. The firm subsequently signed an agreement with the client and the contract was awarded to the winner firm to undertake the assignment as has been stated above.

**Table 2. Technical and Financial Result**

Name of Consultant pass for Technical and Financial Evaluation	Technical Evaluation Result from 80%	Offered price	Financial Result out of 20%	Sum of technical and Financial results out of 100%	Remark
ETG Designs and consultants Plc	70.4	5,427,425	8.98	79.38	Habtamu International Consulting Architects and Engineers PLC is the winner
Habtamu International Consulting Architects and Engineers PLC	66.4	2,438,000	20	86.4	
Yohannes Abay consulting Architect & Engineers	64.8	5,168,100	9.43	74.23	
Virtual Consulting PLC	64.4	2,663,515	18.30	82.7	

Instead of inviting new consultant, the university decided to sign supplementary agreement with Habtamu International Consulting Architects and Engineers PLC for supervision and contract administration of final acceptance of Phase Four Dormitory project. The period allotted for final acceptance processing is not more than one month and final minor rehabilitation process shall be undertaken during study period.



The scope of contractors is construction of dormitory within 270 days. The following table describes the time frame along with the estimated original contract cost of each contractor involved in the project.

Table 3. Original contract amount, scope and contract period

Description	Contractors Name			
	United	Radar	Daniel	Kidane Berihu
Project Name	Lot 5 – Dormitory ( Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory ( Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory ( DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory ( Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir( -Tv-207)
Original contract and Estimated budget in ETB	19,587,469.02 including VAT 15%	25,565,056.99 including VAT 15%	25,565,056.99 including VAT 15%	21,748,910.45 including VAT 15%
Date of the Signing of the agreement	17 April/2015	17 April/2015	17 April/2015	17April/2015
Contract period	17April/2015 – Jan 16/2016	17 April/2015 -- Jan 16/2016	16 April/2015– Jan 15/2016	17 April/2015– Jan 16/2016
Project scope	270 days	270 days	270 days	270 days

### 3.2. Scope of the project

The scope of the project for construction of student dormitories in Assosa University was within 270 calendar days.

### 3.3. Socio-economic benefits (purpose) of the project

The project could have positive socio-economic impacts in many respects. In the first place it solves the problem of dormitory for students that have been getting educational services in the aforementioned university. This in turn would have positive impact on the overall academic performance of the students under discussion. The other impact is that the project could create temporary and permanent employment opportunities for residences of the town and also creates opportunities for skill transfer. This is to say that temporary jobs could be created for

some job seekers during the construction period. On the other hand permanent jobs would also be created for those who could be engaged in sanitary and security services within the university. Likewise, workers who are employed in the project would develop their skills related to the construction works.

### **3.4. Undesired impacts of the project**

There are not as such significantly observed undesired impacts of the project. However, one thing that should be worth mentioning is that there could be some environmental impacts of the project during the construction period because some construction materials, in the form of cart away, could be dumped in the vicinity of the university as a result of which it could adversely affect the environment resulting in siltation on rivers and streams during rainy seasons. On the other hand dust from construction sites would also negatively affect the environment and hence the community during construction period.

### **3.5. Sources of funding and project cost**

The source of funding is the government of Ethiopia through its affiliated ministry, the Ministry of Education.

### **3.6. Project duration**

The construction period set for each (four of them) contractors is 270 days; and for further details refer to Table 3 above.

## **4. Disclosure of procurement and Contract for Information Consultancy**

### **4.1. Disclosures of procurement information**

#### **4.1.1. Overview of the procurement process**

The procurement process of consultancy services have three major assignments, and in each assignment three different consultants perform the overall project assignment; and these assignments are consultancy services on detailed engineering design and supervision and contract administration. In this regard, the original scopes of the consultancy services are:

- i. Engineering design, this is to carry out standard design and tender document preparation handled by MH Consultant;
- ii. Design review, supervision and contract administration work was handled by SG Consultant; and
- iii. Supervision for final acceptance is handled by Habtamu International Consulting Architects and Engineer PLC.

The contract period for standard design and tender document preparation is six months. The consultant has been doing his duties and responsibilities during his contract period. The supervision and contract administration has been done for other projects, not for Phase Four Dormitory. MH Consultant had input only in the preparation of standard design and tender document preparation for Phase Four Dormitory, but did not participate in the design review, supervision and contract administration, because SG Consultant handled the design review, supervision and contract administration.

Generally, the standard design and tender document preparation was completed by MH Consultant; while the supervision and contract administration service was handled and completed by SG Consultant. The remaining supervision and minor rehabilitation works for final acceptance, after defect liability period, was supervised by Habtamu International Consulting Architects and Engineer PLC with a cost of 414,460 (four hundred fourteen thousands four hundred sixty ETB), and this was be undertaken in almost one month time.

#### **4.1.2. Verification of the disclosed procurement information**

MH Consultant has been engaged in standard design and tender document preparation of Assosa university right from the time of its establishment. The Consultant received all the above assignments through single selection processes and negotiation. For finalization of Phase Four Dormitory Project, the Consultant also

prepared standard design and tender documents.

The university made a call for consultants to undertake design review, supervision and contract administration. Based on the invitation, five consultants submitted their respective technical and financial proposals; and the consultants were:

- ✓ SG Consultant;
- ✓ Acute Consultant;
- ✓ Virtual Consultant;
- ✓ Dynamic Planner Consultant; and
- ✓ Yohanes Abay Consulting Architects & Engineers.

The evaluating committee evaluated the documents of the above five consultants; and among them Virtual and Acute consultants were automatically rejected for not respecting the procedure of tender document submission. Both these consultants submitted their respective copies of tender documents in a single post instead of submitting them in separate posts. On the other hand Yohanes Abay also submitted two original documents instead of a copy and an original and as the result it was also rejected. Here attempt was made to check whether or not this criterion (related to submission of documents) is present in the directive of the evaluation criteria, but the evaluation criteria document was not available during our assessment period in the procurement office.

The evaluation process had two steps - one technical and the other financial. Accordingly, two consultants passed the technical evaluation, and subsequently their respective financial proposals were directly opened. SG Consultant was the list bidder and as a result he became the winner as has been shown in the table 4:

**Table 4. Consultants pass for technical and financial evaluation**

No	Name of consultant	Offered price	Remark
1	SG Consultant	2,058,500.00	List bidder and winner
2	Dynamic Planner	3,481,641.20	

For the final acceptance, the university simply made supplementary agreement with Habtamu International Consulting Architects and Engineer PLC, while this consultant already had other agreement and assignment for design, supervision and

contract administration works in the University. Instead of recruiting other consultant for one month work, the University merely choose supplementary agreement with the existing consultant (Habtamu International Consulting Architects and Engineer PLC) for an assignment that amounts to 414,460 ETB (Four hundred fourteen thousand four hundred sixty ETB).

#### **4.1.2.1. Completeness of the disclosed procurement information**

As far as completeness of disclosing procurement information is concerned, so far full information is not available. In fact the procurement process was handled by the Ministry of Education (MoE); and the Ministry has only the contract agreement between MoE and MH Consultant and the invitation letter that calls for submission of the financial proposal. Other documents such as the minutes that deal with the selection process and the justifications given are not available. The only documents which are available in the procurement office of the university are those which are related to the contract agreement and tender committee valuation result. Other documents that show the process of tendering such as: when the advertisement was made, bidders expression of interest, the number of technical and financial proposals submitted by consultants, the names of bidders that attended at the closing and opening periods of bid documents, the process of disclosure of bid documents and the presence (if any) of complaint before the opening of the financial proposals.

In fact the university advertised the job on *Addis Zemen Gazette* on August 6, 2016 (ሀምሌ 30/2008 ዓ.ም); and subsequently five consultants submitted their technical as well as financial proposals. Out of the five bidders only two of them were eligible for the financial evaluation.

#### **4.1.2.2. Accuracy of the disclosed procurement information**

With regard to accuracy of the disclosed procurement information, the process of procurement related to MH Consultant PLC is clear because it was done through the process of direct selection and negotiation. But, as have been mentioned above, there is no full information (in the absence of all the necessary documents) as to when the advertisement was took place, and the selection criteria for selecting the consultants. The other two consultants also have no full procurement document such as evaluation criteria and the technical proposal submitted by the consultants.

### **4.1.3. Analysis of the disclosed procurement information**

#### **4.1.3.1. Compliance of the procurement process with rules of advertisement**

The procurement process lacks some procedural aspects right from the time of advertisement to final award of the assignment. Here the Assurance Professional tried to get all pertinent documents related to the procurement process, but as stated above, all the necessary documents are not available and as a result it has become difficult to prove whether or not the procurement process is in compliance/harmony/with the established rules and procedures of the procuring entity.

#### **4.1.3.2. Efficiency of the procurement process (Timeliness)**

To exhaustively examine the efficiency (timeliness) of the procurement process all the necessary documents that describe the process right from the date of advertisement to the signing of the contract agreement should be available. But as have been mentioned above, such documents are not available in the office of the procurement entity and as a result it is difficult to forward comments on such issue. One thing apparently observed from available documents is that the time span between the start of the evaluation process to that of the signing of the contract agreement for SG Consultant took three months, i.e. from 16 March, 2015 to 08 May, 2015; and this seems to me a reasonable time. But there is no as such information about the validity of the bid period in the absence of the bid document during the assessment period.

With regard to the procurement process of SG Consultant, the evaluation committee checks whether the consultant properly submitted the technical and financial proposals on 07/07/2007 E.C. Out of the five bidders three consultants could not pass to the next step (financial evaluation) and only two of them manage to pass the technical evaluation. The tender committee opened the financial proposal on 13/08/2007 E.C, and accordingly SG Consultant become the winner. SG Consultant signed the agreement with Assosa University on May 08, 2015. Of course no document is found that tells us when the advertisement for this bid was made. All we know is the duration from the start of evaluation to the signing of the contract agreement which is from March16 /2015 up to May 08/2015; and thus the procurement process was completed in about two month time.

During the selection of Habtamu International Consulting Architects and Engineers PLC, the advertisement was disclosed on 30/11/2008 E.C. In this bid thirteen consultants competed and only four of them passed the technical evaluation which was disclosed on 26/1/09 E.C. Finally, the aggregate result of both technical and

financial evaluations was disclosed on 10/04/2009 E.C. The supplementary agreement signed Assosa University and Habtamu International Consulting Architects and Engineer PLC only for final acceptance. The time taken for the procurement process was from 30/11/2008 E.C. to 10/04/2009 E.C. The total time taken for the procurement process was about five months. Thus, significant days were consumed to complete procurement process.

#### **4.1.3.3 Fairness of the procurement rules on participation**

All the necessary documents that deal with the technical proposals of the consultants are not available and as a result it has become difficult to evaluate the fairness and the level of participation of bidders in the evaluation process.

#### **4.1.3.4 Transparency on tender evaluation process**

Documents related to invitation letter, evaluation criteria, issues raised during bid opening or disclosure of evaluation results and responses made to complaints, technical proposals as well as full evaluation documents of the consultants are not available. As the result of which it has become difficult to clearly understand the level of transparency of the bidding and evaluation process.

#### **4.1.3.5 Objectivity of the tender evaluation and the award criteria**

The objective of tender evaluation and the award criteria are in order to bring about fair competition and transparency in the tendering process.

#### **4.1.3.6 Competitiveness of the award price**

Habtamu International Consulting Architects and Engineer PLC and SG Consultant offered least prices. Moreover, the prices of these consultants were reasonable enough as compared to the prices offered by the other consultants.

#### **4.1.3.7 Overview of contract milestones: Original Scope, Time and Cost**

MH Consultant PLC signed the agreement for standard design and tender document preparation. The original scope is clearly set in the contract document which is preparation of standard design and tender document in six month time with contract amount 6,667,493 ETB.

In the original scope SG Consultant was assigned to undertake the assignment in two year time - from May 08/2015 to May 07/2017. The assignment was not only design review, supervision and contract administration for Phase Four selected contractors (Rader, United, Daniel Tsegay and Kidbar), but also on other contractors

too namely: Kiros Hadege Building Contractors, Semere Kale Construction, Neguse Kelelome General Contractors and Milk Construction. The consultant provided the service up to October 2018, i.e. until provisional acceptance was given. The total time extend until October 2018 almost the consultant give the services for additional 16 month (67% the contract period). The procuring entity effected an additional payment of 1,372,320.00 ETB (67% of the contract amount).

Habtamu International Consulting Architects and Engineer PLC signed the agreement with the University under main contract. Assosa University signed supplementary agreement with the consultant to undertake supervision and contract administration during the final acceptance processes; and for this assignment the consultant signed the agreement on February 15, 2018.

## **4.2. Disclosure of contract information**

### **4.2.1. Overview of the contract**

The procurement process for the standard design and tender document preparation was made though single selection process and negotiation with MH Consultant PLC. In fact MH Consultant did not participate in the design review, supervision and contract administration of Phase Four Dormitory Construction project; rather it was involved only in standard design and tender document preparation. The university invited new consultants for design review, supervision and contract administration for Phase Four Dormitory Construction project. Accordingly, the consultants who submitted their technical and financial proposals were:

- ✓ SG Consultant;
- ✓ Acute Consultant;
- ✓ Virtual Consultant;
- ✓ Dynamic Planner Consultant; and
- ✓ Yohanes Abay Consulting Architects & Engineers.

The evaluation committee undertook evaluation on the above five consultants. As has been mentioned above, from amongst them Virtual, Acute and Yohanes Abay Consultants were automatically rejected for not keeping the procedure of submission of tender documents. As a result three of them failed to pass the technical evaluation. Here it is worth mentioning that no document is found in the office of the procuring entity that describes the evaluation criteria.



On August 6, 2016 (ሀገሉ 30/2008 ዓ.ም) the University invited for interested consultants, through *Addis Zemen Gazette*, and as the result 13 consultants showed interest for the assignment. From amongst them only five consultants passed the technical evaluation. Four of them are listed in the following table along with their respective technical and financial results:

Table 5. Consultant names, technical and financial evaluation result.

<b>Name of Consultant</b>	<b>Technical result from 80%</b>	<b>Offered cost</b>	<b>Financial result (20%)</b>	<b>Technical and Financial Result</b>	<b>Remark</b>
Yohannes Abay Consulting Architect & Engineers	64.8	5,168,100	9.43	74.43	
ETG Designs and Consultants PLC	70.1	5,427,425	8.98	79.38	
Virtual Consulting PLC	64.4	2,663,515	18.30	82.7	
Habtamu International Consulting Architects and Engineers PLC	66.4	2,438,000	20.00	86.4	List bidder, winner

#### **4.2.2. Verification of the disclosed contract information**

##### **4.2.2.1. Completeness of the disclosed contract information**

The contract document between the consultant and PE is complete which incorporates all the necessary rights and enforcement rules and regulations.

##### **4.2.2.2. Accuracy of the disclosed contract information**

The disclosed contract document between the consultant and the PE was accurate which incorporates all the necessary rights and enforcements.

#### **4.2.3. Analysis of the disclosed contract information**

##### **4.2.3.1. Issues related to contract price, duration and scope**

The contract price for MH Consultant is 6,667,493 ETB; and preparation of standard design and tender document was done in 6 month time. The original contract duration for SG Consultant was for two years (from May 08/2015 up to May

07/2017) but the assignment is not only to supervise Phase Four selected contractors (Radar, United, Daniel Tsegay and Kidbar), but also Kiros Hadigo Building Contractors, Semere Kale Construction, Neguse Kelelome General Contractors and Milk Construction. The consultant gave the service up to October 2018, i.e. until provisional acceptance was done on the selected contractors. The total duration was until October 2018, and as the result the consultant gave the service for additional 16 month (67% the contract period). The procuring entity effected additional payment of 1,372,320.00 ETB (67% of the contract amount). The root causes for change of scope are variation and price adjustment.

Habtamu International Consulting Architects and Engineers PLC provided the consultancy service with an amount of 414,460 (Four hundred fourteen thousand four hundred sixty) ETB for a period of one month. Yet, the consultancy service is not completed. The consultants supervise the final acceptance process during assessment period.

## **5. Disclosure of procurement and contract information for works**

### **5.1. Disclosures of procurement information**

#### **5.1.1. Overview of the procurement process**

The procurement process was done based on the previous performances of contractors in Addis Ababa Housing Construction Project. As has been mentioned above, the Addis Ababa Housing Construction office sent a letter to Assosa University in a letter with reference number ቤ/ግ/ፕ 14/9560 dated on March 31, 2015 (ሙጋቢት 22/2007 E.C); and four contractors' names (Rader, United, Daniel Tsegaye and Kidber) were included in the letter. According to Addis Ababa Housing Construction Project Office, the performances of the above-mentioned three contractors were more than 98%. It is with this selection background that Assosa University signed agreements with the four contractors. Please refer to annex 1 for the attached letter.

#### **5.1.2. Verification of the disclosed procurement information**

As stated above, the selection process was made through recommendation letter based on previous performances of contractors in Addis Ababa Housing Construction Project.

##### **5.1.2.1. Completeness of the disclosed procurement information**

The recommended contractors were notified whether to accept the invitation or not. The contractors accepted the fixed unit rate of each item and subsequently signed the agreement with the procuring entity.

##### **5.1.2.2. Accuracy of the disclosed procurement information**

Since the procurement was made through direct selection, nothing was needed as disclosed procurement information.

#### **5.1.3. Analysis of the disclosed procurement information**

As has been mentioned above, the procurement process was through direct selection process, based on previous performances of contractors in Addis Ababa Housing Construction Project office. So the procurement process was undertaken based on the modality of direct selection process and fixed unit rate.

#### **5.1.3.1. Compliance of the procurement process with rules of advertisement**

The procurement process complies with the rules of advertisement.

#### **5.1.3.2. Efficiency of the procurement process (Timeliness)**

No data is available to measure the efficiency/ timeliness of the procurement process.

#### **5.1.3.3. Fairness of the procurement rules on participation**

As long as selection of bidders based on their previous performances is set in the procurement rule, thus the process seems fair.

#### **5.1.3.4. Transparency of the tender's evaluation process**

The bidders did not submit their respective costs, it is the procuring entity that directly awarded the project through fixed unit rate; and the contractors accepted the offered rate by the procuring entity and subsequently signed the agreement.

#### **5.1.3.5. Objectivity the tender evaluation and the award criteria**

The tender evaluation and award criteria is not necessary during this type of bidding processes, while the contractors were selected directly based on their previous performances through fixed unit rate.

#### **5.1.4. Competitiveness of the award price**

The award price was made by the procuring entity based on fixed unit rate.

#### **5.1.5. Overview of contract milestones: Original Scope, Time & Cost**

The original scope for all the contractors to undertake construction of the dormitories was within 270 calendar days. But due to late decision on variation and price escalation, the assignment of each contractor was delayed on the average by 200 days. The original scope of contractors, contract amount and project names as well as provisional acceptance for each contractor are shown in Table 4.

The cost of construction falls in variation and price adjustment; and in fact the employer paid considerable amount of money for both the variation and adjusted prices. The contract document as shown in GCC.62 states that, price adjustment can be done on Basic Materials List; and GCC.15 notes that modification should be done by change order. The percentage of increment on each basic material is shown in Table 6.

GCC.62 declares about Price adjustment;

GCC.62.1 The contract is subject to price adjustment from the effective date;

GCC.62.7 The basis for compensation shall be merely through those categories of inputs which are specifically listed in the schedule of Basic Materials List.

GCC. 62.13

- The price adjustment factor shall consider only the list of items in schedule of Basic Materials List.
- The price adjustment factor to payment amounts due shall be calculated based on the formula to be prepared by the contractor, checked and recommended by the consultant and approved by the employer.
- The price adjustment formula approved by the employer shall be part of the contract agreement.
- The contractor shall submit to the engineer price adjustment payments every six months.

GCC.15 Modification by change order

The special condition of contract did not specify about the variation, but in the general condition of contract about modification and change order is listed. The modification and change order should be made by the engineer and subsequently be approved by employer.

**Table 6. Original scope of contractors, contract amount and project name**

<b>Contractors Name</b>	<b>United</b>	<b>Radar</b>	<b>Daniel Tsegaye</b>	<b>Kidane Berihu</b>
Project Name	Lot 5 – Dormitory ( Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory ( Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory ( DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory ( Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir( -Tv-207)
Original contract and Estimated budget in ETB	19,587,469.02 including VAT 15%	25,565,056.99 including VAT 15%	25,565,056.99 including VAT 15%	21,748,910.45 including VAT 15%
Sign the agreement	17/ April/2015	17/ April/2015	17/ April/2015	17/ April/2015
Site Handover		20 <sup>th</sup> April 2015	20 <sup>th</sup> April/2015	17 <sup>th</sup> April 2015
Contract period	17/ April/2015 – Jan 16/2016	17 April/2015 -- Jan 16/2016	16/ April/2015– Jan 15/2016	17/ April/2015– Jan 16/2016
Project scope	270 days	270 days	270 days	270 days
Provisional acceptance	October 29/2016. (19/02/2009)	17 Sept. 2016,	October 29/2016. (19/02/2009)	October 29/2016. (19/02/2009)

Table 7. Price Escalate in Basic Materials List

<b>No .</b>	<b>Item</b>	<b>Unit</b>	<b>Basic Price in ETB</b>	<b>New prices 24/11/2008 EC in ETB</b>	<b>Price in ETB</b>	<b>Price escalation</b>
1	Sand	M3	130	180	138.5 %	38%
2	Stone	M3	140	200	142.9 %	43%
3	Gravel	M3	420	480	114.3 %	14%
4	EGA 400 and 500, 0.4mm thick roof cover	Ml	143.95	107.29	74.5%	-25%
5	G-28 GALVANIZED METAL SHEET	M2	117.29	100.14	85.4%	-15%
6	Steel structures (RHS)	Kg	24.15	18.23	75.5%	-25%
7	Black Iron sheet 5,6 and 8 mm	kg	22.56	20.40	90.4%	-10%
8	Black iron ribbed sheet 08 mm	M <sup>2</sup>	182.43	154.47	84.7%	-15%
9	Chip wood ceiling(1.25x2.5 m)	pcs	153.0	208.0	135.9 %	36%
10	Diesel fuel	Lit	17.49	14.80	84.6%	-15%
11	Regular fuel	Lit	19.41	17.25	88.9%	-11%
12	Carpenter	Day	140.0	250.0	178.6 %	79%
13	Mason	Day	140.0	250.0	178.6 %	79%
14	Daily labor	Day	40.0	80.0	200.0 %	100%

**Here needs an introductory paragraph**

**a) United Construction PLC**

The contractor requested to the consultant price adjustment payment for the executed works in a letter with Ref. No. U/Con/1/032/09 dated on 01/06/2009 E.C. for price adjustment on interim payment Number 02,03,04,05 and 06. The total amount was ETB 2,109,674.19 (Two Million One Hundred Nine Thousand Six Hundred Seventy Four Birr and 19/100 cent) including VAT for the price escalated items. The escalated items are those which are shown in Table 7.

Table 8. Payment before any price adjustment.

<b>Payment No.</b>	<b>Net Payment in ETB</b>	<b>VAT 15% in ETB</b>	<b>Net payment + VAT 15% in ETB</b>
1 <sup>st</sup> Advance	3,406,516.4	510,977.5	3,917,493.9
Payment No 2	1,020,348.4	287,277.7	1,307,626.1
Payment No 3	1,926,468.9	199,217.1	2,125,686.0
Payment No 4	1,640,023.5	261,620.2	1,901,643.7
Payment No 5	2,633,865.7	421,418.6	3,055,284.3
Payment No 6	2,820,183.3	453,990.4	3,274,173.7
Payment No 7	1,821,991.4	287,682.8	2,109,674.2
Total	11,862,881.20	1,911,206.80	13,774,088.00

Table 9. Main contract, Variation and Price Adjusted payment

<b>Item No</b>	<b>Description</b>	<b>Before Vat 15% in ETB</b>	<b>VAT 15% in ETB</b>	<b>Net payment + VAT 15% in ETB</b>
1	Main contract for Dormitory Do-T2 mirr-Tv-210	8,516,290.88	1,277,443.6	9,793,734.5
	Variation Order # 1	136,241.59	20,436.2	156,677.8
	Variation Order # 2	518,268.84	77,740.3	596,009.2
2	Main contract for Dormitory Do-T2-TV-211	8,516,290.88	1,277,443.6	9,793,734.5



Variation Order # 1	85,772.24	12,865.8	98,638.1
Variation Order # 2	514,435.84	77,165.4	591,601.2
Price adjustment for payment	1,950,932.11	292,639.8	2,243,571.9
Grand Total after deduction	20,238,232.36	3,035,734.9	23,273,967.2

The final payment went up by 118.8%, more than the original contract provisional acceptance that was taken on October 29/2016.

### b) Rader Construction

The main contract amount was 25,565,056.99 ETB; the variation order number 1 is 92,803.39 ETB and the adjusted price was 3,407,457.27 including 15% VAT. The total amount of payment effected became 29,065,317.84 ETB. The number of justified days of delay was 234 days and the unjustified days of delay were 26 days.

Table 10. Payment before any price adjustment.

Payment No.	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	4,446,096.87	666,914.53	5,113,011.40
Payment No 2	1,252,677.00	542,839.00	1,795,516.00
Payment No 3	2,690,419.68	113,101.16	2,803,520.84
Payment No 4	1,455,872.97	248,008.17	1,703,881.14
Payment No 5	2,726,340.73	4304,74.85	2,726,340.73
Payment No 6	4,021,271.86	634,937.66	4,656,209.52
Total	12,146,582.24	1,538,885.99	13,685,468.23

Table 11. Main contract, Variation and Price Adjusted payment

Payment category	Before 15% VAT in ETB	15 % VAT in ETB	including 15% VAT in ETB
Main contract	22,230,484.34	3,334,572.65	25,565,056.99
Price adjustment Final Payment	2,963,006.32	444,450.95	3,407,457.27
Variation order	80,698.77	12,104.82	92,803.59
Total Sum	25,274,189.43	3,791,128.41	29,065,317.84

### c) Daniel Tsegaye Contractors

Daniel Tsegay Building Contractor signed the agreement with Assosa University on 16<sup>th</sup> of April, 2015 with contract amount of 25,565,056.99, including VAT 15%. The site handover was taken place on 20<sup>th</sup> of April, 2015. The advance payment was 5,113,011.40 (Five million one hundred thirteen thousand eleven birr and 40/100 cents) ETB which was effected through unconditional bank guarantee from Abay Bank S.C with an amount of 5,113,011.40 (Five million one hundred thirteen thousand eleven birr and 40/100 cents) ETB. The total number of delayed days by this contractor was 279 calendar days, out of this 264 calendar days were justified and the remaining 15 calendar days were unjustifiable both by the consultant and the employer. For the unjustified delay there are no documents that indicate about the type of measure taken for delay.

Table 12. Payment before any price adjustment

<b>Payment No.</b>	<b>Net Payment in ETB</b>	<b>VAT 15% in ETB</b>	<b>Net payment + VAT 15% in ETB</b>
1 st Advance	4,446,096.87	666,914.53	5,113,011.40
Payment No 2	5,749,569.59	931,877.94	6,681,447.53
Payment No 3	1,637,018.70	279,731.04	1,916,749.74
Payment No 4	5,687,748.14	905,294.99	6,593,043.13
Payment No 5	2,253,902.5	355,879.33	2,609,781.83
Total	15,328,238.93	2,472,783.30	17,801,022.23

Table 13. Main contract, Variation and Price Adjusted payment

<b>Payment category</b>	<b>Before 15% VAT in ETB</b>	<b>15 % VAT in ETB</b>	<b>including 15% VAT in ETB</b>
Main contract	22,230,484	3,334,573	25,565,057
Price adjustment	2,372,529	355,879	2,728,408

Variation order	1,302,141	195,322	1,497,462
Total Sum	25,905,154	3,885,774	29,790,927

#### d) Kidber Contractors

Variation number one for Dormitory Do-T4-206 in superstructure concert work, formworks, deformed bars, and metal work, plastering and painting, finishing work, glazing and painting are listed in the payment certificate and variation number two for retaining wall of Dormitory Do-T2 mirr -TV- 207. Time extension 342 days ASu. po/ 2374/46/09 and date 16/10/2009 Ec accepted, in addition to this the contractor requested Ref No ASu Po 2449/11/09 date 04/11/09 142 days but get only 122 days accepted in addition mobilization 15 date and 464 days total 479 days extended with acceptable ground. The provisional acceptance has been taken date 29/07/2009

Table 14. Payment before any price adjustment.

	Net Payment in ETB	VAT 15% in ETB	Net payment + VAT 15% in ETB
1 st Advance	3,782,419.21	567,362.88	4,349,782.09
Payment No 2	1,597,848.72	264,906.01	1,862,754.73
Payment No 3	2,541,749.31	412,540.51	2,954,289.82
Payment No 4	2,137,347.93	341,975.67	2,479,323.60
Payment No 5	2,434,477.55	527,013.72	2,961,491.27
Payment No 5	1108882.43	183659.72	1,292,542.15
Payment No 6	1,755,497.90	277,183.88	2,032,681.78
Total	11,575,803.84	2,007,279.51	13,583,083.35

Table 15. Main contract, Variation and Price Adjusted payment

Payment category	Before 15% VAT	15 % VAT	Including 15% VAT
Main contract	18,912,096.04	2,836,814.41	21,748,910.45
Price adjustment No 1	1,847,892.53	277,183.88	2,125,076.41
Price adjustment No 2	199,310.14	29,896.52	229,206.66

Variation order 1	35,135.73	5,270.36	40,406.09
Variation order 2	202,641.96	30,396.29	233,038.25
Total Sum	21,197,076.40	3,179,561.46	24,376,637.86

## **5.2. Disclosure of contract information**

### **5.2.1. Overview of the contract**

The contractors were selected based on their previous performances on similar projects. Thus, the result of the procurement process was undertaken by restricted tender as a result the unit price was fixed by the employer.

### **5.2.2. Verification of the disclosed contract information**

Since contractors are already participating in different construction projects in Addis Ababa Housing Construction Agency, the disclosed contract information was done merely through notifying to contractors by a letter.

#### **5.2.2.1. Completeness of the disclosed contract information**

In the contract document signed between Assosa University and the contractors the scope of construction, unit rate of each construction item, the drawings and the site plan are explicitly written. Thus, the contract information is clearly disclosed.

#### **5.2.2.2. Accuracy of the disclosed contract information**

In the contract document all the rights and responsibilities of the parties involved are clearly stated. Moreover, it is also pointed out in the contract agreement how to manage any variation, price escalation as well as supplementary agreement for additional works.

### **5.2.3. Analysis of the disclosed contract information**

#### **5.2.3.1. Issues related to contract price**

The prices of some basic items such as: stone, sand, daily labor, carpenter and mason were revised five times, in 21/02/2008 E.C, 16/04/2008 E.C, 05/07/2008 E.C, 01/09/2008 E.C and 24/11/2008 E.C. In the report, it is noted that the root cause for price adjustment was increment in fuel price and the presence of massive construction projects in the surrounding areas. This

massive construction in the surrounding areas absorbed the labor force such as carpenters as well as masonry workers. There is no unjustified change in the document, but the root cause for the delay is not supported by justifiable document.

### 5.2.3.2. Issues related to the contract duration

The contract duration for projects of all the four contractors was delayed by about 70% to 90% as compared with the original scope. There is no, however, sufficient justification/explanation behind the delay.

### 5.2.3.3. Issues related to contract scope

As has been mentioned above, the contract duration of the projects for all the four contractors was delayed by about 70% to 90% as compared with the original scope. But the reason that causes delay of the projects is substantiated through documents.

Table 16. Actual completion, delay, justified and unjustified days of delay

Contractors Name	United	Radar	Daniel Tsegaye	Kidane Berihu
Sign the agreement	17/ April/2015	17/ April/2015	17/ April/2015	17/ April/2015
Site Handover		20 <sup>th</sup> April 2015		
Contract period	17/ April/2015 – Jan 16/2016	17 April/2015 -- Jan 16/2016	16/ April/2015– Jan 15/2016	17/ April/2015– Jan 16/2016
Project scope at completion	270 days/ until Jan 16/2016	270 days/until Jan 16/2016	270 days/ until Jan 15/2016	Jan 16/2016 days/ until
Completion date according to contract	Data not available	27/01/2016	January 26,2016	
Provisional acceptance	October 29/2016. (19/02/2009)	17 Sept. 2016,	October 29/2016. (19/02/2009)	October 29/2016. (19/02/2009)
Actual completion	Not available	13/10/2017	October 31/2016	
Total number of delays	Not available	270 calendar days	279 calendar days	499 calendar days

Number of justified days of delay	Not available	234 calendar days	264 calendar days	479 calendar days
Number of unjustified days of delay	Not available	26 calendar days	15 calendar days	20 calendar days
Changes of contract duration as compared to the original contract duration	Not available	86.7 % contract duration extend with justified contract	97.8 % contract duration extend with justified contract	177.4% contract duration extend with justified contract
Justification of changes	Not available	No need give any more days from justified date	No need give any more days from justified date	No need give any more days from justified date
Brief explanation of unjustified changes	Not available	There is no any detail explanation about the unjustified changes.	There is no any detail explanation about the unjustified changes.	There is no any detail explanation about the unjustified changes.

## **6. Conclusion and Recommendation to the MSG**

### **6.1. Conclusion**

As conclusion the following points are noted:

- ✓ There is no legal document that shows about change of names of companies such as: Kidane Berihu Building Construction to Kidber Building Construction and Habtamu International Consulting Architects and Engineers PLC to ASPIRE AECOM Architects and Engineer PLC.
- ✓ Variations observed in each contractor is not clearly justified;
- ✓ The construction period was delayed by more than 80% as compared with the construction scope.

### **6.2. Issues Recommended for further review**

The further recommendation shall be once discusses with procuring entity and check further unseen document and information in order to forward the final recommendation.

The following table needs brief introductory information/statement

Is it annex?

Table 17. Disclosure of Procurement Information (for 44 Items)

		<i>DISCLOSURE OF PROCUREMENT INFORMATION (44 ITEMS)</i>		
<b>Phase</b>	<b>Item of disclosure</b>	<b>Construction</b>	<b>Design</b>	<b>Supervision</b>
Procurement information (30 Items)	Date of disclosure	Not available	Not available	Not available
	Contract title	Construction of Dormitory	Planning, Design, Adaptation supervision and contract administration	Design review, supervision and contract administration
	Location	Assosa	Assosa	ssosa
	Procuring entity	Assosa university	Assosa university	Assosa university
	Source for further information	Assosa university project and procurement office	Assosa university project and procurement office	Assosa university project and procurement office
	Date of procurement notice /Invitation date	Selected based on the pervious performance by Addis Ababa Housing construction project	Not Available	For supervision and contract administration (SG consultant) Not available, but for final acceptance contract administration and supervision by Habitemu International consultant, Aug. 6/2016
	Floating period of the procurement notice	Not Available	Not Available	Not Available
	Media used for procurement notice	Direct selection	Direct selection	Addis Zemen



Method of procurement	Single sources	Single sources	Competitive
Type of procurement			
Procurement procedure	Single step	Single step	Two step
Evaluation criteria	Previous performance	Previous performance	Not available
Type of contract and project delivery method	Work and Admeasurement	Consultancy services for design lump sum and for supervision and contract administration monthly out put	Consultancy services for design lump sum and for supervision and contract administration monthly out put
Type and amount of bid security	Unconditional	Unconditional	Unconditional
Content of any complaint lodged	Not available	Not available	Not available
Engineer's estimate	Contractors name	Not available	Not available
	United Contractors 19,587,469.02 ETB		
	Radar Contractors 25,565,056.99 ETB		
	Daniel Contractors 25,565,056.99 ETB		
	Kidber Contractors 21,748,910.45 ETB		

Number of bidders: participated, rejected and declined to submit	Direct selected by Addis Ababa housing construction	Direct selected by ministry of Education based on the pervious performance	Not Available
Award firm/ contracting firm	United Contractors, Radar Contractors, Daniel Contractors and Kidber Contractors	MH Engineering PLC. Consulting Engineers and Architects	SG consultancy and Habtamu International Consulting Architects and Engineers PLC
Date of contract award / Acceptance date	Already nominate by Addis Ababa Housing construction	Already nominate by Ministry of Education	Not Available
Award price/original contract price	United Contractors 19,587,469.02 ETB including VAT 15%	6,832,955.00 ETB with monthly average supervision fee 99,766.33 for 60 month and For design period 3 month lump sum 846,975.00 ETB including VAT 15%	SG consultant for design review, supervision and contract administration price 2,438,000.00 ETB for 24 months including VAT 15% Habtamu International Consulting Architects and Engineers PLC The total cost for final work supervision 414,460 ETB including VAT 15%
	Radar Contractors 25,565,056.99 ETB including VAT 15%		
	Daniel Contractors 25,565,056.99 ETB including VAT 15%		
	Kidber Contractors 21,748,910.45 ETB including VAT 15%		
Unit contract price (price /km, price /m2)	Cannot be done	Cannot be done	Cannot be done

Contract security type and amount	United Contractors, Radar Contractors, Daniel Contractors and Kidber Contractors		
Date of contract signing			
Contract scope	United Contractors (270 calendar days) Radar Contractors (270 calendar days) Daniel Contractors (270 calendar days), Kidber Contractors (270 calendar days)	63 months	SG consultant for 24 months Habtamu International Consulting Architects and Engineers PLC until final acceptance done
Description of contract and contract components	Construction of Dormitory	Planning, Design, Adaptation supervision and contract administration	Design review, supervision and contract administration
Contract administration entity	Assosa University	Assosa University	Assosa University
Contract duration	United Contractors 17/ April/2015 – Jan 16/2016 Radar Contractors 17 April/2015 -- Jan 16/2016 Daniel Contractors 16/ April/2015– Jan 15/2016 Kidber Contractors 17/ April/2015– Jan 16/2016	From March 04/2010- March /2015, in this time only design period has been done	SG Consultant May 08/2015- May 7/2017 Habtamu International Consulting Architects and Engineers PLC, the main contract agreement signed on 21 <sup>ed</sup> of December 2016.

	Contract start / commencement date	Date of sign the agreement at third week of April 2015 Commencing date first week of May 2015	March 04/2010	May /2015
	Intended completion date	Completed		
<b>Phase</b>	<b>Item of disclosure</b>	<b>Construction</b>	<b>Design</b>	<b>Supervision</b>
Contract implementation (14 items)	Contract status ( ongoing % progress) terminated, completed)	Completed	Completed	The final acceptance On going
	Completion date (revised, projected, actual)	October 31/2016	Not available	The final acceptance On going by Habtamu International Consulting Architects and Engineers PLC
	Changes to contract duration with reason	Price adjustment and variation work	Contractors did not complete the work	Contractors did not complete the work
	Amount of liquidate damage is applied (penalty for delay)	Not available	Not available	Not available
	Contract price (revised, projected, actual) Changes to contract price with reason	United Contractors changes from 19,587,469.02 to 23,273,967.24 ETB including VAT 15% Reason price adjustment and variation	No change	No Change

		Radar Contractors changes from 25,565,056.99 to 29,065,317.84 ETB including VAT 15% Reason price adjustment and variation		
		Daniel Contractors change from 25,565,056.99 to 29,790,928.00 ETB including VAT 15% Reason price adjustment and variation		
		Kidber Contractors change from 21,748,910.45 to 24,376,637.86 ETB including VAT 15% Reason price adjustment and variation		
	Scope at completion	In average all contractors extended the contract scope by an average 220 days	Not available	Depend on the contractors, the scope extended by 220 days
	Changes to contract scope with reason	Reason price adjustment and variation	Not available	Not available

Total payment effected	United Contractors 23,273,967.24 ETB including VAT 15%	Not available	Not available
	Radar Contractors 29,065,317.84 ETB including VAT 15%		
	Daniel Contractors 29,790,928.00 ETB including VAT 15%		
	Kidber Contractors 24,376,637.86 ETB including VAT 15%		
Warranty type and description	Not available	Not available	Not available
Details of Termination if applied	Not available	Not available	Not available
Safety measures (accident & death)	Not available	Not available	Not available
Quality of work (very good, good, inferior, impossible to comment)	Not available	Not available	Not available
Disputed issues & award details	Not available	Not available	Not available

Table 18. Disclosure of Procurement Information (26 Items)

<i>DISCLOSURE OF PROCUREMENT INFORMATION (26 ITEMS)</i>		
Preliminary project information (18 Items)	Date of disclosure	Data not available
	Project owner	Ministry of education
	Project name	Assosa University/ Dormitory
	Sector, sub-sector	Higher education
	Source for further information	Assosa University
	Project Location	Assosa
	Purpose	Expansion of higher education throughout the country, by giving special consideration where previously have no higher education services by near. This is the reflection of political and administrative decentralization and to bring balanced and equitable growth of the economy.
	Project description	Construction of Assosa university phase four dormitory
	Original project scope	Construction of 11 block dormitory
	Project components	Dormitory
	Environmental impact	Data not available

Land and settlement impact	Data not available				
Estimated budget of the project with breakdown of components	United	Radar	Daniel	Kidane Berihu	
	Lot 5 – Dormitory ( Do-T2) TV-210 and Do-T2-Tv-211)	Lot 1- Dormitory ( Do-T2-Tv, DO-T4-202 and DO-T2-TV-203	Lot 4- Dormitory ( DO-T4-Tv-208, Do-T2/Tv-209 and Do-T4-213	Lot 2 Dormitory ( Do-T4-Tv-200, Do-T4-206 and Do-T2 (miir( -Tv-207)	
	19,587,469.02	25,565,056.99	25,565,056.99	21,748,910.45	
Funding sources	Government of Ethiopia				
Project budget approval date	Not available				
Project start date (planned, actual)	Contractors name		Sign the agreement	Planned date	Actual date
	1. United Building Contractors		17/ April/2015	20 April/2015	20 April/2015
	2. Radar Building Contractors		17/ April/2015	20 April 2015	20 April 2015
	3. Daniel Building Contractors		16/ April/2015	20 April 2015	20 April 2015
	4. Kidane Berihu Building Contractors		17/ April/2015	April/2015	April/2015
Planned /Original duration for completing the whole project	Contractors name		Planned /Original		
	United Building Contractors		17/ April/2015 – Jan 16/2016		
	Radar Building Contractors		17 April/2015 -- Jan 16/2016		



		Daniel Building Contractors		16/ April/2015– Jan 15/2016	
		Kidane Berihu Building Contractors		17/ April/2015– Jan 16/2016	
		United	Radar	Daniel	Kidane Berihu
	Planned /Original cost of the project	19,587,469.02 including 15%VAT	25,565,056.99 including 15%VAT	25,565,056.99 including 15%VAT	21,748,910.45 including 15%VAT
Project information at completion (8 Items)	Cost of the project at completion	23,273,967.2	29,065,317.84	29,790,927	24,376,637.86
	Changes of project cost with reason	Price escalation Additional work	Price escalation Additional work	Price escalation Additional work	Price escalation Additional work
	Project completion date (Revised, projected, actual)	Not revised	Not revised	Not revised	Not revised
	Actual duration for completing the whole project	23,273,967.24 ETB including VAT 15%	29,065,317.84 ETB including VAT 15%	29,790,928.00 ETB including VAT 15%	24,376,637.86 ETB including VAT 15%
	Changes of project duration with reason	Price adjustment ( basic item price increment) and variation( additional work)	Price adjustment ( basic item price increment) and variation( additional work)	Price adjustment ( basic item price increment) and variation( additional work)	Price adjustment ( basic item price increment) and variation( additional work)
	Project scope at completion	270 days/ until Jan 16/2016	270 days/until Jan 16/2016	270 days/ until Jan 15/2016	Jan 16/2016 days/ until

Changes of project scope with reason	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay	Scope not changed but completion duration change by justified and unjustified delay
Reference to documents for disclosure upon request (reactive disclosure)	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance	Contract document, payment certificate, Provisional acceptance
Contract agreement Completion report	Not available	Not available	Not available	Not available