



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Reactive Disclosure of Project and Contract Information for Hawassa University Administration Package Projects

Yaregal Ali – Assurance Professional
November, 2018
ADDIS ABABA, ETHIOPIA

Table of Contents

LIST OF TABLES.....	4
LIST OF ACRONYMS.....	5
1. EXECUTIVE SUMMARY.....	6
1.1 Summary of Findings and Causes of Concern.....	6
1.1.1 Accessibility Problem of Project Information.....	6
1.1.2 Modification of Bid Document without PE’s Knowledge.....	7
1.1.3 Submission Problem of Bid Offer.....	7
1.1.4 Restriction of the Bid to NCB.....	8
1.1.5 Problem on Approval of Variations.....	8
2. INTRODUCTION.....	9
2.1 Objective of the Assurance Process.....	9
2.2 Activities of the Assurance Process.....	9
2.3 Challenges of the Assurance Process.....	9
3. DISCLOSURE OF PROJECT INFORMATION.....	12
3.1 Project Overview.....	12
3.2 Scope of the Project.....	12
3.3 Socio Economic Benefits (Purpose) of the Project.....	12
3.4 Undesired Impacts of the Project.....	12
3.5 Source of Funding and Project Cost.....	12
3.6 Project Duration.....	13
4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN, CONTRACT ADMINISTRATION & SUPERVISION SERVICES.....	14
4.1 Disclosure of Procurement Information.....	14
4.1.1 Overview of the Procurement Process.....	14
4.1.2 Verification of the Disclosed Procurement Information.....	14
4.1.3 Analysis of the Disclosed Procurement Information.....	15
4.2 Disclosure of Contract Information.....	15
4.2.1 Overview of the Contract.....	15
4.2.2 Verification of the Disclosed Contract Information.....	16
4.2.3 Analysis of the Disclosed Contract Information.....	16

5. DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR WORKS CONTRACT.....	18
5.1 Disclosure of Procurement Information.....	18
5.1.1 Overview of the Procurement Process.....	18
5.1.2 Verification of the Disclosed Procurement Information.....	19
5.1.3 Analysis of the Disclosed Procurement Information.....	19
5.2 Disclosure of Contract Information.....	21
5.2.1 Overview of the Contract.....	21
5.2.2 Verification of the Disclosed Contract Information.....	21
5.2.3 Analysis of the Disclosed Contract Information.....	22
6. CONCLUSION AND RECOMMENDATION TO THE MSG.....	25
6.1 Conclusion.....	25
6.2 Issues Recommended for Further Review.....	25
7. Project and Contract Information Disclosure Template.....	26

LIST OF TABLES

Item No.	Descriptions	Page No.
1	Table 1.1: Summary of Project and Contract Information	
2	Table 4.1: Lists of Information Disclosed from Secondary Sources	
3	Table 5.1: List of Applicants who submitted their applications for post qualifications and financial Bids	
4	Table 5.2: New Items of Work Included on IPC No.16	

LIST OF ACRONYMS

ACA	Agriculture Campus (Hawassa University)
AP	Assurance Professional (which is Yaregal Ali)
CoST	Construction Sector Transparency Initiative
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
ICB	International Competitive Bidding
IPC	Interim Payment Certificate
LCBS	Least Cost Based System
M & HSC	Medical & Health Science Campus (Hawassa University)
MPI	Material Project Information
NA	Not Applicable
NCB	National Competitive Bidding
NMSG	National Multi Stakeholder Group
No	Number
PE	Procuring Entity (which is Hawassa University)
PPA	Public Procurement Agency
QCBS	Quality Cost Based System
TAC	Technical Analysis Committee
VO	Variation Order

1. EXECUTIVE SUMMARY

This report discusses the disclosure and quality assurance of project information for Hawassa University Administration Package Projects. Its main objective is to enhance the transparency of the PE & construction companies by disclosing to the public ‘Infrastructure Data Standard’ at all stages of the construction project cycle. The report is prepared by the AP on behalf of CoST – Ethiopia who will be responsible for assessing the adequacy and reliability of the disclosed project information, highlighting any causes for concern for the specifically selected projects.

CoST is an international multi-stakeholder program designed to increase transparency and accountability in the construction sector. CoST is based on the belief that increased transparency through disclosure of project information will lead to greater accountability of public officials and eventually to more efficient and effective construction of public infrastructure. At the country level it is represented by CoST – Ethiopia and its activities is directed by NMSG that represents the interests of Government, the private sector, and the civil society.

The disclosure of information for the respective project is basically carrying out in reference with the documents collected from PE and Consultant assigned for the project. In the previous times the PE has already been informed by CoST – Ethiopia to collaborate on provision of required information and also carry out the necessary tasks mutually. Accordingly, the PE has made available part of project information and to some extent from Consultant. However, it was a major challenge to access all the required project information from PE and Consultant office to prepare a complete disclosure and assurance process in this report. Based on the analysis made on available partial project information, however, appreciable findings and cause of concerns are identified in this report. A Brief Description of the Project & Contracts included in this report are summarized, hereunder, in Table 1.1.

Table 1.1: Summary of Project and Contract Information

Date of Disclosure and Assurance	April 12, 2018
Name of the AP	Yaregal Ali
Name of the Project	Administration Package Projects
Project Location	Hawassa Main Campus and Wondogenet
Name of the Employer	Hawassa University
List of Contracts	Design, Contract Administration and Supervision, Works Contract
Contractor	MIDROC Construction Ethiopia PLC
Consultant	Zelege Belay Architect PLC

1.1 Summary of Findings and Causes of Concern

1.1.1 Accessibility Problem of Project Information

It has been observed problems from PE's side on the proper maintenance and smooth access of documents and records for the project under review. The information in relation to procurement of Consultancy Service and Works Contracts, changes to the respective Original Contracts and initial project programs are the major ones facing problems to access easily from PE's office. There are also other important lists of information, as described in the following part, required but unavailable for the assignment so that a complete disclosure & assurance process couldn't be performed in this report for the project. In general, the problem of accessibility on required project information results the following problems:

- ✚ Incomplete Report: Difficulty to reach on complete judgment and outline overall conclusions & recommendations for the study;
- ✚ Information gap to justify PE's transparency on the implementation Procurements & Contracts in accordance with the rules of Law.

With respect to Maintaining Records of Procurement the PE is expected to comply with following Articles:

- Article 32 of the PPA Directive (2010);
- Article 32 of the Ethiopian Government Procurement & Property Administration Proclamation 649/2009 – with respect to **lists** of records shall be kept;
- Article 73 of the Financial Administration Proclamation 648/2009 – with respect to the **time** for which such records shall be kept.

1.1.2 Modification of Bid Document without PE's Knowledge

The Bid Document collected by the Bidders has been made modified without getting the prior approval of the PE. The Procurement Approval Committee of the PE has described in the Minutes of Meeting no 12/05 that the criteria of equipment have been modified illegally, by adding Batching Plant, on bid document without getting approval from PE.

Implications:

- ✚ The Contract Procurement could be subjected to low Competition,
- ✚ Confusion and ambiguity on the fairness of the Bid Document.

1.1.3 Submission Problem of Bid Offer

It has been observed that a lesser number of bidders have submitted their qualification applications than expected as compared to the number of bidders who bought the Bid Documents. Out of nineteen (19) prospective bidders who bought the tender documents for Works Contract, only two (2) of them have submitted their qualification applications and financial offers.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,

Focus areas:

- ✦ Increase participants by change the type of Procurement to ICB for such type of projects by complying Article 17.2/a/ of the Federal Public Procurement Directive (2010),
- ✦ Conduct detail study on fixing of the Evaluation Criteria, especially for Equipment, based on the experiences gained from previous similar projects.

1.1.4 Restriction of the Bid to NCB

The type of Procurement advertised for Works was NCB which was limited to local contractors which can be considered as one of the factors to have less competition on the bid.

Implications:

- ✦ Subject to a higher Contract Price due to low Competition,

In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

1.1.5 Problem on Approval of Variations

Interim Payments have been certified for new items of work without following the formal procedures and requirements of Clause 39.1 of the GCC.

Implications:

- ✦ Lack of clear information on the overall amount of cost overruns
- ✦ Facing of mismanagement on project budget,
- ✦ Lack of transparency on evaluation of variation prices,
- ✦ Open to corruption,

Focus areas:

- ✦ Monitoring and close control of variation works in compliance with Clause 39.1 of the GCC,

2. INTRODUCTION

The report is organized in the order of PE's implementation on Procurements and Contracts of the project from Design to Construction stage. In each part, the disclosure and assurance process of Procurement and Contract implementations of the PE are verified and analyzed separately in compliance with the respective requirements and Contract/Project specific issues are identified. Finally, recommendations for the key findings and further review are outlined.

At the last part of this report, detail lists of Procurement, Contract and Project information are disclosed separately for every Contract of the relevant project in the Standard Disclosure Template of CoST – Ethiopia as per the information taken from available documents.

For the preparation of this report, the AP has gone through the following core activities in order to address the main objectives of the assignment.

2.1 Objective of the Assurance Process

The main tasks involved on the assurance process are compilation of relevant project information, making verification/quality assurance and preparing disclosure document that contains causes of concern at all stages of the project cycle.

2.2 Activities of the Assurance Process

- ❖ Collecting project information from the PE and, where necessary, consultant and contractor on selected project in order to ensure the publication of the relevant Material Project Information (MPI) as outlined in the Disclosure Standards of CoST – Ethiopia.
- ❖ Verifying the accuracy and completeness of information collected and produce reports.
- ❖ Making site visit to have visual impression of the project and makes additional verification as required.
- ❖ Analysing the information obtained in order enable the public to make informed judgements about the cost, time of delivery and quality of the built infrastructure,
- ❖ Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analysed information reveals.
- ❖ Making presentations to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the report accordingly.

2.3 Challenges of the Assurance Process

The difficulty on accessing of some but basic project information relevant to the assurance process were the main challenges faced both from PE and the Consultant. The report has partly discussed the project assurance process as per the available documents from PE and the Consultant however be deficient in discussing the full part due to accessibility problem of the following information:

Lists of Unavailable Documents

- A. Feasibility Study,
- B. Financing Agreements (Funding sources) for the Project,
- C. Project budget approval date,
- D. Project start date (planned, actual),

- E. Planned/ Original duration for completing the whole project,
- F. Planned/Original cost of the project,
- G. Tender Evaluation Reports for Design, Contract Administration & Supervision Contract,
- H. Detail Technical Evaluation Reports for Administration Package Works Contracts,
- I. Total payment effected for Design & Supervision Contract,

The following documents are required for Design & Supervision Contract and Administration Package Works Contract:

- J. Cost Estimates (or Engineer's Estimate),
- K. Warranty, Bonds and Securities, (including renewed documents),
- L. Changes to Contracts (price, duration, scope, etc.,) during implementation,
- M. Claims requested and approved,
- N. Content of any complaint lodged,
- O. Safety Measures (accident & death),
- P. Signed and Sealed Progress Reports,
- Q. Minutes of Meetings, Letter Correspondence, etc.,
- R. Costs of Contracts at Completion

The AP and CoST – Ethiopia has made the necessary efforts to access all the required information both from PE and the Consultant in all times of report preparation period. In accordance with the letter of CoST – Ethiopia to the PE Ref. No. CoST-E/Ad/01/209/18 dated 21/05/2010 E.C. and also with the given information of PE's contact address, the AP has made the necessary effort to acquire the required information relevant to the assignment within reasonable time. The AP has arranged two step contact with PE as the location of PE's office is in Hawassa Town which is about 330 km far away from the city of Addis Ababa. The first step was arranged to contact PE's focal person through telephone line in order to have common understanding about the assignment and ensure the readiness of required information before their office visit. Accordingly, the AP has made visit to the AP's office in Hawassa Town from March 27, 2018 to March 29, 2018 and made face to face discussion with PE's focal person including other relevant higher officials of the University. The AP has also made a visit with the Consultant Office on project site and discussed with the respective representative for collecting the required documents. Nevertheless, the information provided by the PE as well as Consultant site office was partial and in the absence of important documents for the assignment.

CoST – Ethiopia has also made additional effort to acquire complete project information so that a letter ref. no. CoST E/Ad/01/215/18, dated 12/08/2010, along with lists of required project information has been forwarded to the Consultant, Zeleke Belay Architect PLC, head office in Addis Ababa, to provide relevant documents for the project. The response of the Consultant was minimal and forwarded partial information through email on 15/05/18 (07/09/2010 E.C), which is forwarded after 26 days of request. The partial documents of the Consultant are also forwarded in excel and word format without having sign and seal on them. In general, the collection of information both from PE and Consultant office were partial and to access the above listed key documents was a major challenge.

Nevertheless, it has been observed the positive cooperation and response of the PE on the response of CoST – Ethiopia's request. The AP appreciates the PE for their concern and close assistant on provision of copies of some of documents from their office as well as Consulting office. The PE has made the necessary effort for the service and assigned one focal person to work with AP for document collection purpose. It has been tried to collect partly of the required documents from PE's office and also Consultant

Project Office during AP's two-days stay in Hawassa Town. The AP also forward great appreciation to CoST – Ethiopia for its prior arrangement with PE and close follow-up on getting timely the necessary documents from PE.

The overall project information collected from PE and Consultant Office are listed below:

Lists of Documents Collected from PE (March 27-29, 2018)

- A. Minutes of Meetings for Technical and Financial Evaluation Report – Construction works,
- B. Signed Contract Agreement – Construction works,
- C. Signed Contract Agreement – Construction Design and Supervision,
- D. Renewed Advance Payment Bond Document.

Lists of Documents Collected from Consultant Site Office (March 27-29, 2018)

- A. Certificate of Payment No. 16 Document – Construction works,
- B. Unsigned Monthly Progress Report No. 38 & 39 – Construction works,
- C. Signed Provisional Acceptance Document – Construction works.

Lists of Documents Collected from Consultant Head Office (April 15, 2018)

- A. Payment Certificate No. 16 soft copy in excel without sign and seal,
- B. Summary of Time Extension Request Approval soft copy in word without sign and seal,
- C. Crushed Program, Revision # 3, soft copy in excel without sign and seal,
- D. Contract Agreement for Foundation Test, Cost Reimbursement request and other related Documents - 8 pages of Scanned Documents,
- E. Progress Reports (for six months) in soft copy without sign and seal, Nov. 2013, Jan. 2014, Feb. 2014, March. 2014, Apr. 2014, and May2014.
- F. Contract Document including Provisional Sum items, in soft copy without sign and seal.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

Hawassa University Administration Package Projects comprise construction of Administration Office, Central Store and Central Garage buildings at main campus; Student Cafeteria and Library buildings at Wondogenet campus of the University. Initially the PE has made Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C in order to carry out Design, Contract Administration and Supervision for the project under review along with other three buildings as one package. The Contract Agreement was made to the winner of the Consultant for the advertised package as a whole including extra three buildings out of the project under review. However, the Works Contract was entered into a Contract with the successful Contractor only for the project under review namely, Administration Office, Central Store, Central Garage, Student Cafeteria and Library buildings and by excluding the other three buildings from the package.

The Consultancy Service Contract Agreement was made with Zeleke Belay Architect PLC on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The PE has also made Contract Agreement with MIDROC on July 05, 2013 Construction Works after making Bid Advertisement on November 16, 2012. The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price Works Contract is 181,735,959.60 Birr (including VAT).

The Construction Works of the project are completed on 15th day of December, 2017 and a provisional acceptance has already been made on this date in the presence of representatives of PE, Consultant and Contractor.

3.2 Scope of the Project

The scope of the project is to enhance the University's teaching and learning process by increasing other extra structure besides the existing ones.

3.3 Socio Economic Benefits (Purpose) of the Project

It is expected that the implementation of the building Project will bring a number of significant social and economic benefits, for example, employment opportunities and income benefits for the local people. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like feasibility study, and/or lack of relevant information from PE's office.

3.4 Undesired Impacts of the Project

It is also expected that construction and operation of the building will cause some impacts on the natural environment and local communities. However, a description of potential benefits of local communities couldn't be included in this report due to inaccessibility of document, like EIA, and/or lack of relevant information from PE's office.

3.5 Source of Funding and Project Cost

There is no information available for source of funding and overall cost of the project. However, the information for project cost is partly made available for Consultancy Service and Works Contracts. The Contract Price for the Works Contract is 181,735,959.60 Birr (including VAT). The overall Contract

Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design Services and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration Services.

3.6 Project Duration

No information is available for the overall duration of the project. However, as per the available documents, the PE has made the Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C. the Contract period agreed to complete the whole of the works for Works Contract was 730 Calendar days and intended to be completed on 05th of August, 2015.

4. DISCLOSURE OF PROCUREMENT AND CONTRACT INFORMATION FOR DESIGN, CONTRACT ADMINISTRATION & SUPERVISION SERVICES

4.1 Disclosure of Procurement Information

This report Discloses Partial Procurement Information in reference with the available Consultancy Service Contract Agreement Document available from PE. For complete disclosure it is required additional relevant information from PE. The main source of information required for complete disclosure but unavailable from PE office is [Tender Evaluation Report](#).

4.1.1 Overview of the Procurement Process

The process of procurement of Consultancy Service requires the PE to undertake a numbers tasks as per the Government rules and regulation of procurement starting from Bid advertisement to Contract Award. In the absence information, especially Tender Evaluation Report, however, the performance the PE on the procurement process couldn't be reviewed accordingly.

4.1.2 Verification of the Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

In reference with the available information from PE, twenty lists of information are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. On the other hand, the following nine (9) lists of key information required for carrying out assurance process couldn't be disclosed due to accessibility problem of Tender Evaluation Report and other relevant documents.

- 1) Floating period of the procurement notice,
- 2) Method of procurement,
- 3) Type of Procurement,
- 4) Procurement procedure,
- 5) Type & Amount of bid security,
- 6) Content of any complaint lodged,
- 7) Engineer's estimate,
- 8) Date of bid opening,
- 9) Number of bidders: Participated, rejected and declined to submit.

4.1.2.2 Accuracy of the Disclosed Procurement Information

Out of twenty lists of Procurement Information disclosed on CoST Standard Disclosure Template Eleven (11) of them are referred from available secondary source, which is from **Consultancy Service Contract Document**. The accuracy Procurement Information disclosed from secondary source couldn't be checked from their original sources due to unavailability of relevant documents, specifically [Tender Evaluation Report](#).

Table 4.1: Lists of Information Disclosed from Secondary Sources

Item No.	Lists of Information	Source Document
1	Media used for procurement notice	

2	Date of procurement notice	Consultancy Service Contract Agreement Document
3	Evaluation criteria	
4	Contract Title	
5	Contract Scope	
6	Contract security type and amount	
7	Description of contract & Contract components	
8	Awarded firm/contracting firm	
9	Award Price	
10	Contract Duration	
11	Intended completion date	

4.1.3 Analysis of the Disclosed Procurement Information

The lists of information disclosed on CoST Standard Disclosure Template are mainly used for information purpose. The lists of information are disclosed in reference with secondary source and also without checking their accuracy from their original sources. The key lists of information required for analysis purpose couldn't be disclosed on CoST Standard Disclosure Template due to accessibility problem of relevant documents. As a result of such situations, the overall Assurance process of Procurement of Consultancy Service couldn't be analyzed in detail with respect to the following issues:

- 4.1.3.1 Compliance of the Procurement Process with Rules of Advertisement
- 4.1.3.2 Efficiency of the Procurement Process (Timeliness)
- 4.1.3.3 Fairness of the Procurement Rules On Participation
- 4.1.3.4 Transparency of the Tender Evaluation Process
- 4.1.3.5 Objectivity the Tender Evaluation and the Award Criteria
- 4.1.3.6 Competitiveness of the Award Price
- 4.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

4.2 Disclosure of Contract Information

4.2.1 Overview of the Contract

Zelege Belay Architect PLC has entered into a Consultancy Service Contract Agreement with Hawassa University on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The Consultancy Service Contract includes Design, Contract Administration and Supervision for the following projects:

Table 4.2: List of Projects for Design and Supervision Service Contracts

Administration Office with landscaping	At main campus
Central Store /Warehouse/	At main campus
Central Garage	At main campus
Library	At Wondogenet
Student Cafeteria	At Wondogenet
Multipurpose Hall	At M & HSC

Lecture Theatre	At M & HSC
Multipurpose Building	At ACA

The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price also includes the Consultancy Service of extra three buildings out of the scope of the project under review, namely, Multipurpose Hall, Lecture Theatre and Multipurpose Building.

4.2.2 Verification of the Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

The PE has made available copy of signed and sealed **Contract Document** agreed for carrying out the Consultancy services of the project. Other than this document, no information is available both from PE and Consultant Office. Therefore, this Contract Document is used as the only source for the disclosure of Consultancy Contract information in this report.

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Service Contract. The information listed on the Standard Disclosure requires to access on relevant documents made for implementation of the Contract for the Project. The available document of the Contract Agreement has little to disclose the required information. Therefore, almost all the lists of Contract Information couldn't be disclosed as per the required Standard Disclosure Template. The main source of information required for this task but unavailable from PE as well as Consultant office are the following:

- 1) Total payment effected until date of this report disclosure,
- 2) Changes to Contracts (price, duration, scope, etc.) during implementation,
- 3) Claims requested and approved,
- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports,
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion.

In the absence of the above list of documents, the assurance process of Contract Information couldn't be discussed with respect to the following issues:

4.2.2.2 Accuracy of the Disclosed Contract Information

- Source documents used for verification
- Observed information variance
- Explanation of PE for the variance
- AP's conclusion on the variance

4.2.3 Analysis of the Disclosed Contract Information

4.2.3.1 Issues Related to Contract Price

- Changes as compared to the original contract price
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.2 Issues Related to Contract Duration

- Changes of contract duration as compared to the original contract duration?
- Justification of Changes
- Brief Explanation for Unjustified Changes

4.2.3.3 Issues Related to Contract Scope

- Changes of contract scope as compared to the original contract scope
- Justification of Changes
- Brief Explanation for Unjustified Changes

5. DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR WORKS CONTRACT

5.1 Disclosure of Procurement Information

5.1.1 Overview of the Procurement Process

The procurement notice of invitation for the bid was published on the Ethiopian Herald on November 16, 2012. Pursuant to the notice of invitation, nineteen applicants have collected the tender documents before the deadline submission of applications.

NOTE: The lists of Bidders collected the tender documents couldn't be disclosed in this report due to lack of information from PE.

Among the nineteen bidders who have bought the tender documents from PE, only two (2) of them (see Table 5.1 below) have submitted their qualification applications and financial offers in separate sealed envelopes before/on December 19, 2012, 2:00 PM.

Table 5.1: List of Applicants who submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	Afro Tsion Construction PLC	Ethiopia
2	MIDROC Ethiopia Construction PLC	Ethiopia
	Total	2

The selection criterion for the highest score of the firm was based on the aggregate score results of 40% technical proposal & 60% financial proposal. The evaluation was carried out in two stage procedures, namely, Post Qualification & Financial Bid Evaluation.

The evaluation process for Post Qualification has been carried out by assigned representatives of PE along with external Consultant, Zeleke Belay Architect PLC. The evaluation committee has recommended for approval to the PE's concerned office on 24/04/05 E.C that the two bidders indicated in Table 5.1 above to be post-qualified and their Financial Bids to be opened.

The recommendation document has been reviewed by Procurement Approval Committee of the PE and finally decided to reject one of the bidder's Post Qualification document due to late renewal of license after the date of bid submission. On Tir 23, 2005, the Procurement Approval Committee has approved only one Bidder, Afro Tsion Construction PLC, to open the financial offer.

Accordingly, the PE has opened the financial offer of Afro Tsion Construction PLC on 20/06/2005. However, the decision of the result has been suspended to a certain period of time due to submission of claim by MIDROC Ethiopia Construction PLC to PPA upon their refusal on participation of financial qualification. The MIDROC Ethiopia Construction PLC claim has been accepted by PPA and finally, the PE has decided to open their financial offer. On 06/10/05, the PE has opened the financial offer of MIDROC Ethiopia Construction PLC and read along with the previous opened offer of the other bidder.

As a result of the valuation MIDROC Ethiopia Construction PLC became the successful winner of the bid both technically and financially with an amount of 181,735,959.60 Birr (including VAT).

Finally, the PE has made Contract Agreement with MIDROC Ethiopia Construction PLC on 15th day of July, 2013 after forwarding Letter of Acceptance on 26/10/05 E.C.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The PE has made available the Tender Evaluation Reports without having attached on it the detail evaluation documents carried out for technical and financial proposals. Based on the available document, most of the Procurement Information, except two, are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. The information with respect to Engineer’s Estimate and price per sq. meters of the project couldn’t be disclosed due to accessibility problem of documents from PE and/or Consulting Office.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The lists of information disclosed on the Standard Template are made in reference with copies of primary source documents. however, information with respect to the results of technical and financial proposals couldn’t be checked with their detail evaluation documents due to their absence on the available documents.

5.1.3 Analysis of the Disclosed Procurement Information

5.1.3.1 Compliance of the Procurement Process with Rules of Advertisement

Media of Bid Advertisement: The Bid was openly advertised on the Ethiopian Herald which is widely known newspaper in Ethiopia so that the dissemination of information to participate all national qualified contractors on the bid. The Media used for Bid Advertisement has also complied with Article 16.2/1 of the Federal Public Procurement Directive (2010).

Bid Floating Period: The date of procurement notice of the bid was on November 16, 2012 and the deadline for bid submission was on December 19, 2012. Therefore, the floating period of the Bid would be 33 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010) the minimum bid period shall be 30 days for National Competitive Bid.

The Floating Period of the Bid has complied with rules of the Procurement Directive (2010).

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

The evaluation of the Technical Proposal has been completed on 23/05/05 after 31 days of the Bid Submission date, 24/04/2005. The period of evaluation of the Technical Proposal was reasonable compared to the 60 days of Bid Validity Period described on the Bid Document, ITB 15.1 of Bid Data Sheet.

On the other hand, the PE has initially opened the financial offer on 20/06/2005, after having a delay of 27 days from the completion date of evaluation of the Technical Proposal.

The evaluation process the financial offer couldn't be continued as per the PE's schedule and suspended further due to submission of claim by MIDROC Ethiopia Construction PLC to PPA upon their refusal on participation of financial qualification. Such inconvenience has also made the PE's procurement process to have a further delay upon the expected bid validity period of 60 days. After having made solutions on the bidder's claim, the PE has made Contract Agreement with MIDROC Ethiopia Construction PLC on 15th day of July, 2013.

The overall procurement process of the Bid has almost taken seven months of period. The PE has shown a five months of delay from the expected schedule of 60 days Bid Validity Period. The evaluation of the Technical Proposal was completed within reasonable period of time. However, a major delay has been seen on the evaluation of the Financial Offer due to the following two reasons.

1. The delay on opening of the Financial Offer by the PE after completion of evaluation of the Technical Proposals. The schedule on carrying out each tasks of the procurement process should be limited in consideration with the validity period of the Bid. Therefore, 27 days of delay, almost half of bid validity period, on opening of the Financial Offer was unreasonable.
2. Submission of Claim by the Bidder. In reference with the minutes of meetings of the PE recorded on the technical evaluation report. the PE has made reasonable evaluation of the Technical Proposal in compliance with the Evaluation Criteria of the Bid. However, due to accessibility problem of information on the Bidder's claim, a final conclusion couldn't be given on reasonableness of the evaluation of the Technical Proposal with respect to the Bidder's claim.

5.1.3.3 Fairness of the Procurement Rules On Participation

Submission Problem of Bid Offer: It has been observed that a lesser number of bidders have submitted their qualification applications than expected as compared to the number of bidders who bought the Bid Documents. Out of nineteen (19) prospective bidders who bought the tender documents for Works Contract, only two (2) of them have submitted their qualification applications and financial offers.

There is document available from PE office to justify the root causes of submission problem of the Bid Offer by the Bidders. However, in reference with the available document, the following issues are analyzed as a potential cause to a possibility on undermining the Bidders from participation.

- **Evaluation Criteria:** The difficulty of Bidders on fulfilling the Qualification Criteria of Equipment described on the Bid Document. the lists of the equipment are large in quantity and high in capacity. The Procurement Approval Committee of the PE has described in the Minutes of Meeting no 12/05 that the criteria of equipment have been modified, by adding Batching Plant, on bid document without getting their approval. In our country, the contractors having owned this equipment are few in number. As the Bid is NCB, it will be hard to get sufficient participants for the bid.
- **Restriction of the Bid to NCB:** In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

5.1.3.4 Transparency of the Tender Evaluation Process

The evaluation of the Technical and financial Proposals has been carried out in stages by assigning the Technical Committee for recommendation and Procurement Approval Committee for approval of the recommended results. According to the information provided on the available documents, it is understood that the results of evaluation have been made known to the Bid participants in different time. accordingly, one of the bidders has submitted his claim and get acceptance for participation. There is no other information available for any claim made on the transparency of the tender evaluation process.

5.1.3.5 Objectivity the Tender Evaluation and the Award Criteria

The information of the detail evaluation report of the technical proposal is not make available by the PE. The tender evaluations have been followed to some extent the rules of Procurement Directives. However, the award criteria described on the bid document seems exaggerated on the requirements of equipment with respect to the volume of the project and capacity of National Contractors in order to participate sufficiently on the bid.

5.1.3.6 Competitiveness of the Award Price

This part is left unanalyzed due to accessibility problem of Engineer's Estimate Document.

5.1.3.7 Overview of Contract Milestones: Original Scope, Time and Cost

The PE has entered into a Contract with MIDROC Ethiopia Construction PLC in order to construct Administration Package Projects. The Contract comprises construction of Administration Office, Central Store and Central Garage, at Main Campus and Student Cafeteria and Library buildings at Wondogenet Campus. The Original Contract Price is 181,735,959.60 Birr (including VAT). The intended completion period of the whole of the works is 730 calendar days.

5.2 Disclosure of Contract Information

5.2.1 Overview of the Contract

MIDROC Ethiopia Construction PLC has started the construction of the Contract Works on 06th day of August, 2013 after handing over the construction site from PE on 22nd date of July, 2013. The intended date for completing the whole of the works was 05th day of August, 2015. However, due to certain reasons the project couldn't be completed as per the intended completion date. Even if the project was delayed, the construction works has been completed and the Provisional Acceptance was taken over on 15th day of December, 2017 by the order of the consultant and after notification to all concerned parties.

According to the available information of the Consultant, in reference with Provisional Acceptance document, the delay of the Contract has been justified and no penalty is given to the Contract for the delays beyond the intended completion date. There is no document available from the Consultant for the detail evaluation of the delay justification. Moreover, there is no clear information to changes made with respect to scope and cost from the original Contract.

5.2.2 Verification of the Disclosed Contract Information

5.2.2.1 Completeness of the Disclosed Contract Information

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Works Contract. The information listed on the Standard Disclosure requires to access a number relevant documents made for

implementation of the Contract for the Project. The main source of information required for this task but unavailable from PE as well as Consultant office are documents related to the following issues:

- 1) Changes to Contracts (price, duration, scope, etc.) during implementation,
- 2) Claims requested and approved,
- 3) Warranty, Bonds and Securities, (including renewed documents),
- 4) Content of any complaint lodged,
- 5) Safety Measures (accident & death),
- 6) Progress Reports, (partly collected from Consultant),
- 7) Minutes of Meetings, Letter Correspondence, etc.,
- 8) Costs of Contracts at Completion

Contract Agreement Document, Provisional Acceptance Document and Partial Progress Reports are the only available documents used for disclosure of Contract Information. The respective available documents have little information for the disclosure so that only 4 out of 14 lists of information are disclosed on Standard Disclosure Template.

5.2.2.2 Accuracy of the Disclosed Contract Information

The four lists of information disclosed on Standard Disclosure Template are referred from the primary Source of documents except one. The information for the justification of delay of the contract is not checked with the approved detail evaluation results due to unavailability of relevant documents.

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

This part is left unanalyzed due to accessibility problem of information for changes to Contract Price.

However, in reference with the available document of IPC no. 16, it is identified that payment has been certified for the new items of works which are out of the original contract agreement. The new work items include but not limited to the following:

Table 5.2: New Items of Work Included on IPC No.16

Item No.	Description of new work item	Location	Amount certified (in Birr)
1	Asphalt Work	Administration Office Block; under Compound Site Work	7,466,466.72
2	C-25 in 200mm thick Solid Slab	Administration Office Block; under Superstructure Concrete Work	189,303.64
3	C-25 in 200mm thick Solid Slab	Administration Office Block; under Superstructure Formwork Work	80,839.53
4	Plywood	Administration Office Block; under Superstructure Formwork Work	69,842.86
5	Mineral Paint	Administration Office Block; under Painting	104,974.42
6	Dia. 110 PVC Storm Water Drainage	Administration Office Block; under Sanitary Installation	24,384.00
7	5mm Metal Plate 25x25 cm wide	Central Store Block; under Metal Work	88,400.00

8	Ceramic Floor & Wall Tile	Central Store Block; under Finishes Work	449,277.70
9	Dia. 200 PVC Waste Pipe	Central Store Block; under Sanitary Installation	471,714.46
10	Rock Excavation	Central Garage Block; under Excavation and Earthwork	2,451,120.61
11	PVC Tile	Central Garage Block; under Floor and Wall Finish	243,321.54
12	Quartz Paint	Central Garage Block; under Paint	1,289,555.84
13	Concrete Ditch Cover	Central Garage Block; under Sanitary Installation	661,242.09
14	Ramp	Student Cafeteria Block; under Superstructure Concrete Work	96,536.09
15	Flashing	Student Cafeteria Block; under Metal Work	24,060.24
16	Klinker Skirting	Student Cafeteria Block; under Floor and Wall Finish	24,261.00
17	Ceramic Floor & Wall Tile	Student Cafeteria Block; under Floor and Wall Finish	128,356.70
18	SHS 80x80x4.5mm	Library Block; under Metal Work	93,958.96
19	Flashing	Library Block; under Metal Work	13,736.52
20	Coping	Library Block; under Metal Work	25,207.81
21	Gutter	Library Block; under Metal Work	26,001.38
22	Urinal Partition	Library Block; under Sanitary Installation	22,500.00
23	PVC Waste Pipe		
	Dia. 50	Library Block; under Sanitary Installation	9,134.77
	Dia. 110	Library Block; under Sanitary Installation	26,416.00
	Dia. 100	Library Block; under Sanitary Installation	31,699.20
24	Light Fittings		
	FBH 020	Library Block; under Electrical Installation	374,558.10
	Wall recessed Lorient	Library Block; under Electrical Installation	78,896.15
Total			14,543,266.33

The Consultant as well the PE has been requested by the letter from CoST – Ethiopia to provide information about the changes made on the Original Contract Price. However, no information was available from both sides for the above new items of work. payments have already done for the above new items of work however no evidence is available to those changes whether being followed formal procedure in accordance with Clause 39.1 of the GCC described in the Contract Agreement on provision to the contractor, evaluation of the consultant and approval by the PE.

In accordance with Clause 39.1 of the GCC it is stated that

‘no such variation shall be done by the contractor without an order in writing of the Engineer’.

For any variation to be made the order of the Engineer shall be in writing and a separate document containing addition of new work items and omission of contract work items, if any, will be issued to the Contractor to fix his price for approval. The Engineer then evaluates the fixed prices and approve or forward to the PE as per the requirements of Clause 39.1 of the GCC.

In reference with IPC No. 16 document, the certification of payment made for new work items are not followed the procedures stated on Clause 39.1 of the GCC. The new work items are distributed in different places of building blocks and organized as per their respective work packages. It indicates that the procedure of provision of change orders, evaluation and approval processes are done without following the requirements of Clause 39.1 of the GCC. Even if such informal procedure exists, the transparency of Engineer's evaluation performed on those new work items could not be further justified in this report due to accessibility problem of information.

5.2.3.2 Issues Related to Contract Duration

The construction of the project was planned to be completed within 730 calendar days. The start date of the construction work was on 06th August 2013 and intended to be completion on 05th August 2015. However, the actual completion date of the whole of the works was made on 15th December 2017. This indicates that the completion of the project has shown a significant delay by more than two years and four months from the intended period of time.

The delay of the construction work was extremely too high which is believed to be resulted from a number of several reasons in the course of construction period. The administration of the contract in relation to such kinds of changes to duration wouldn't be simple and requires close follow up and timely solution at every occurrence of delay during construction period. The consulting firm administrating the contract is expected to review, analyze, justify of contractor's submittals of the delay on each time of occurrence so that proper documentation shall be made on final approval documents of the client.

Even if the delay is too high there is no single document available from the client as well as from the consulting office to make assurance for the delay in this report. Therefore, this part is left unanalyzed due to accessibility problem of information for changes to Contract Duration. However, in reference with the Provisional Acceptance Document, no penalty is carried out for the delays of the Contract beyond the intended completion dated are justified.

5.2.3.3 Issues Related to Contract Scope

This part is also left unanalyzed due to accessibility problem of information for changes to Contract Scope. However, in reference to IPC No. 16, there are addition of new work item beyond the contract scope as listed on Table 5.2 above.

6. CONCLUSION AND RECOMMENDATION TO THE MSG

6.1 Conclusion

The disclosure and assurance process of the project is carried out in the absence of key information so that a complete report couldn't be produced specifically on the main concerns of implementation of the Contract both for Works and Consultancy Services. However, as per the available information collected from PE and Consultant office, appreciable findings and causes of concern are identified.

The inefficiency of the PE on handling of Project Information is the main finding observed in this report. The required information relevant to the project couldn't be easily accessed and even there is no proper well-known place of documentation specifically assigned by the PE for handling of project information. In compliance with the requirements of article 32 of the PPA Directive, the PE is expected to properly maintain procurement information to facilitate easy access at the time of request.

The other finding of the assurance process is that the Works Contract has been procured under low completion so that there would be a probability to occurrence to subject the project with high Contract Price. The project is large and complex however the type of Procurement advertised for the bid was NCB. Even if nineteen bidders have collected the bid only the two bidders have submitted their qualifications. On the other hand, the evaluation criteria of equipment have been modified on the bid document from the previously approved bid document by the PE. The modification was done by adding Batching Plant to the Equipment Criteria which could be one of the reasons for the problem of bid submission. It can be concluded that the type of Procurement, NCB, and modification made on Equipment Criteria could be the main factor of low competition which the PE shall draw its attention for future improvement.

The third key finding is the problem observed on the approval process of variations. No document is available with respect to variations however, in reference with IPC No. 16 document, it is observed that the procedure of provision of change orders, evaluation and approval processes are carried out without following the requirements of Clause 39.1 of the GCC. The transparency of approval of variations could not be analyzed due to such circumstances.

6.2 Issues Recommended for Further Review

In this report a complete disclosure and quality assurance process could not be carried out for the project due to accessibility problem of project information both from the client and the Consultant. The availability of complete project information is vital. Therefore the MSG main focus shall be drawn on acquiring the required project information as much as possible before starting of the assurance process.

7. Project and Contract Information Disclosure Template

DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	April 12, 2018		
	Contract title	Administration Package Projects	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Location	Main and Wondogenet Campuses of the University	Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Procuring entity	Hawassa University		
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21		
	Date of procurement notice	November 16, 2012	Tahisas 07, 2004 E.C	
	Floating period of the procurement notice	33 Cal. days	DNA	
	Media used for procurement notice	The Ethiopian Herald	The Ethiopian Herald	
	Method of procurement	Open bidding	DNA	
	Type of Procurement	NCB	DNA	
	Procurement procedure	Two stage bidding	DNA	

Evaluation criteria	QCBS	QCBS
Type of contract & project delivery method	Unit Price Design-Bid-Build	Lump Sum
Type & Amount of bid security	Certified Cheque or Bank Guarantee of amount 500,000 Birr	DNA
Content of any complaint lodged	A complaint was lodged by MIDROC Construction upon rejection by the PE for opening of their bid documents due to absence of renewed license on the bid document and late submittal after bid opening date. However, MIDROC Construction has been granted by the PPA to participate on the bid.	DNA
Engineer's estimate	DNA	DNA
Date of bid opening	December 19, 2012	DNA
Number of bidders: Participated, rejected and declined to submit	Participated: 2 Rejected: 0 Declined to Submit: 17	DNA
Awarded firm/contracting firm	MIDROC Construction	Zelege Belay Architect PLC
Date of contract award	26/10/05 E.C.	30/08/04 E.C
Award price/Original Contract Price	181,735,959.60 Birr (including VAT)	2,102,243.00 Birr for Design and 105,112.00 Birr for monthly Construction Supervision and Contract Administration
Unit Contract price (price/km, price/sq. meter)	DNA	NA

CO	Contract security type and amount	Performance Bond; 10% of Contract Price in the form of Insurance Bond	220,735.50 Birr – Bank Guarantee or Insurance Guarantee or CPO	
	Date of Contract Signing	July 05, 2013	May 21, 2012	
	Contract scope	Construction of Administration Office, Central Store & Central Garage buildings at main campus, Student Cafeteria & Library buildings at Wondogenet campus of the University	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Description of contract & Contract components	In addition to the scope of the contract, the Contractor shall provide to the Engineer’s Representative Office, Office Equipment and Furniture, Transport and Utilities.	Building Design, Contract Administration and Supervision	
	Contract administration entity	Zelege Belay Architect PLC	Hawassa University	
	Contract Duration	730 Calendar days	90 days	Until completion of Construction Works
	Contract Start Date	06 th August 2013	May 21, 2012	06 th August 2013
	Intended Completion Date	05 th August 2015	July 19, 2012	After the end of Construction Works
	Contract Status (ongoing (% progress), terminated, completed)	Completed	Completed	DNA

NTRACT IMPLEMENTATION & COMPLETION (14 ITEMS)	completion date (Revised)	15 th December 2017	DNA	DNA
	Changes to contract duration with Reason	860 Cal. Days; DNA for reasons of delay	DNA	DNA
	Amount of Liquidated Damage if applied (Penalty for delay)	No penalty	DNA	DNA
	Contract price (Revised)	DNA	DNA	DNA
	Changes to contract price with reason	DNA	DNA	DNA
	Scope at completion	DNA	DNA	DNA
	Changes to contract scope with reason	DNA	DNA	DNA
	Total payment effected	129,023,673.18 Birr (including VAT) until October 17, 2017 (IPC 16)	DNA	DNA
	warranty type and description	DNA	DNA	DNA
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

Note:

NA – Note Applicable

DNA – Documents not Available

DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)

DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)		
PRELIMINARY PROJECT INFORMATION (18 ITEMS)	Date of disclosure	April 12, 2018
	Project owner	Hawassa University
	Project name	Administration Package Projects
	Sector, subsector	Building project
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21
	Project Location	Main and Wondogenet Campuses of the University
	Purpose	To enhance the University’s teaching and learning process
	Project description	Design and Construction of Administration Office, Central Store & Central Garage buildings at main campus, Student Cafeteria & Library buildings at Wondogenet campus of the University
	Original Project Scope	
	Project Components	Design, Supervision and contract administration, Construction
	Environmental impact	DNA
	land & settlement impact	DNA
	Estimated budget of the project with breakdown of components	DNA
	Funding sources	
	Project budget approval date	DNA
	Project start date (planned, actual)	
	Planned/ Original duration for completing the whole project	DNA

	Planned/Original cost of the project	
PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	DNA
	changes of project cost with reason	DNA
	Project completion date (Revised)	
	Actual duration for completing the whole project	
	changes of project duration with reason	
	Project Scope at completion	
	changes of project scope with reason	
	Reference to documents for disclosure upon request (reactive disclosure)	<ul style="list-style-type: none"> ✚ Minutes of Meetings for Technical and Financial Evaluation Report – Construction works; ✚ Signed Contract Agreement – Construction works; ✚ Signed Contract Agreement – Construction Design and Supervision; ✚ Certificate of Payment No. 16 Document – Construction works; ✚ Signed Provisional Acceptance Document – Construction works; ✚ Renewed Advance Payment Bond Document; ✚ Unsigned Monthly Progress Report No. 38 & 39 – Construction works;

Note:

NA – Note Applicable

DNA – Documents not Available