



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

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

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LIST OF ACRONYMS

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

1. EXECUTIVE SUMMARY

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

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

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

Table 1.1: Summary of Project and Contract Information

Date of Disclosure and Assurance	April 12, 2018
Name of the AP	Yaregal Ali
Name of the Project	Mixed Use Package Projects
Project Location	Hawassa (Agriculture Campus and Medical Campus)
Name of the Employer	Hawassa University
List of Contracts	Design, Contract Administration and Supervision, Works Contract
Contractor	Zamra Construction PLC
Consultant	Zelege Belay Architect PLC

1.1 Summary of Findings and Causes of Concern

1.1.1 Accessibility Problem of Project Information

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

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

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

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

1.1.2 Restriction of Bid Floating Period

The Bid Floating Period of Works has been limited to 20 days. The project is large and complex sufficient time to study the details of the project to fix the bid price. For such type of project at least 30 days Bid Floating Period could be given as stated in Article 16.9/2 of the Federal Public Procurement Directive (2010).

Implications:

- ✚ The Contract Procurement could be subjected to low Competition,

1.1.3 Low Participation on the Bid

It has been observed that a lesser number of bidders have submitted their qualification applications for Works Bid, only three bidders have submitted their qualification applications and financial offers.

It has a direct effect on restricting Bidders to allow enough time for studying of the Bid Document and preparing their qualification Application in proper way.

Implications:

- ✚ Subject to a higher Contract Price due to low Competition,
- ✚ Inappropriate fixation of unit price.

Focus areas:

- ✦ Increase participants by change the type of Procurement to ICB for such type of projects by complying Article 17.2/a/ of the Federal Public Procurement Directive (2010),
- ✦ The Bid Floating Period shall at least comply with minimum requirement period stated in Article 16.9/2 of the Federal Public Procurement Directive (2010).

1.1.4 Restriction of the Bid to NCB

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

Implications:

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

In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to 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 Mixed Use Package Works Contracts,
- I. Total payment effected for Design & Supervision Contract,

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

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

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

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

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

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

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

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

- A. Minutes of Meetings for Technical and Financial Evaluation Report – Construction works,
- B. Signed Contract Agreement – Construction works,
- C. Signed Contract Agreement – Construction Design and Supervision,

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

- A. Certificate of Payment No. 13 Document – Construction works,
- B. Signed Supplementary Contract Agreement – Construction works,
- C. Signed Provisional Acceptance Document for Multipurpose Hall, Pedestrian Bridge, Operation Theatre and Public Toilet – Construction works.

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

- A. Payment Certificate No. 13 (summary pages) soft copy in excel without sign and seal,
- B. Summary of Time Extension Request Approval soft copy in word without sign and seal,
- C. Progress Reports (for seven months) in soft copy without sign and seal, Dec. 2013, Nov. 2013, Jan. 2014, Feb. 2014, March. 2014, Apr. 2014, and May2014.
- D. Contract Document including Provisional Sum items, in soft copy without sign and seal.

3. DISCLOSURE OF PROJECT INFORMATION

3.1 Project Overview

Hawassa University Mixed Use Package Projects comprise construction of Multipurpose Hall, Mixed Use and Lecture Class Room Buildings at Hawassa Agriculture Campus and Medical Campus of the University. Initially the PE has made Consultancy Service Bid Advertisement on Tahisas 07, 2004 E.C in order to carry out Design, Contract Administration and Supervision for the project under review along with other three buildings as one package. The Contract Agreement was made to the winner of the Consultant for the advertised package as a whole including extra five buildings out of the project under review. However, the Works Contract was entered into a Contract with the successful Contractor only for the project under review namely, Multipurpose Hall, Mixed Use and Lecture Class Room Buildings and by excluding the other five buildings from the package.

The Consultancy Service Contract Agreement was made with Zeleke Belay Architect PLC on May 21, 2012 after making Bid Advertisement on Tahisas 07, 2004 E.C. The PE has also made Contract Agreement with Zamra Construction PLC on September 09, 2013 for Construction Works after making Bid Advertisement on April 27, 2013. The overall Contract Price of Consultancy Service is 2,102,243.00 Birr (including VAT) for Design and 105,112.00 Birr (including VAT) for monthly Construction Supervision and Contract Administration. The Contract Price Works Contract is 148,297,184.30 Birr (including VAT).

The Construction Works of the project are completed on 16th day of February 2017 and a provisional acceptance has already been made on this date in the presence of representatives of PE, Consultant and Contractor.

3.2 Scope of the Project

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

3.3 Socio Economic Benefits (Purpose) of the Project

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

3.4 Undesired Impacts of the Project

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

3.5 Source of Funding and Project Cost

There is no information available for source of funding and overall cost of the project. However, the information for project cost is partly made available for Consultancy Service and Works Contracts. The Contract Price for the Works Contract is 148,297,184.30 Birr (including VAT). The overall Contract

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

3.6 Project Duration

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

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

4.1 Disclosure of Procurement Information

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

4.1.1 Overview of the Procurement Process

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

4.1.2 Verification of the Disclosed Procurement Information

4.1.2.1 Completeness of the Disclosed Procurement Information

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

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

4.1.2.2 Accuracy of the Disclosed Procurement Information

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

Table 4.1: Lists of Information Disclosed from Secondary Sources

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

		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 five buildings out of the scope of the project under review, namely, Administration Office, Central Store, Central Garage, Library and Student Cafeteria Buildings.

4.2.2 Verification of the Disclosed Contract Information

4.2.2.1 Completeness of the Disclosed Contract Information

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

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

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

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

4.2.2.2 Accuracy of the Disclosed Contract Information

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

4.2.3 Analysis of the Disclosed Contract Information

4.2.3.1 Issues Related to Contract Price

- Changes as compared to the original contract price
- Justification of Changes

- Brief Explanation for Unjustified Changes

4.2.3.2 Issues Related to Contract Duration

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

4.2.3.3 Issues Related to Contract Scope

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

5. DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION FOR WORKS CONTRACT

5.1 Disclosure of Procurement Information

5.1.1 Overview of the Procurement Process

The procurement notice of invitation for the bid was published on the Ethiopian Herald on April 27, 2013. Pursuant to the notice of invitation, the Technical Evaluation has been carried out for three (3) applicants (see Table 5.1 below) as per their submitted qualification applications and financial offers in separate sealed envelopes before/on May 17, 2013, 2:00 PM.

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

Table 5.1: List of Applicants participated on the Works Contract Bid

Item No.	Applicants	Country of Registration
1	F E Construction	Ethiopia
2	Zamra Construction PLC	Ethiopia
3	MIDROC Ethiopia Construction PLC	Ethiopia
	Total	3

The selection criterion for the highest score of the firm was based on the aggregate score results of 50% technical proposal & 50% financial proposal. The evaluation was carried out in two stage procedures, namely, Post Qualification & Financial Bid Evaluation.

The evaluation process for Post Qualification has been carried out by assigned representatives of PE along with University's Consultant Organization. The assigned evaluation committee has recommended for approval to the PE's concerned office on 26/09/05 E.C that the two bidders listed in Table 5.2 below to be post-qualified and their Financial Bids to be opened.

Table 5.2: List of Applicants qualified for Financial Evaluation

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

The recommendation document has been reviewed by Procurement Approval Committee of the PE and finally get approval to open the two bidder's financial offer.

Accordingly, the PE has opened the financial offer of the two bidders on 06/10/2005.

As a result of the valuation Zamra Construction PLC became the successful winner of the bid. The Procurement Approval Committee has approved the evaluation result on 19/11/05 and decided to enter into contract agreement with an amount of 148,297,184.30 Birr (including VAT).

Finally, the PE has made Contract Agreement with Zamra Construction PLC on September 09, 2013 after forwarding Letter of Acceptance on 29/12/05 E.C.

5.1.2 Verification of the Disclosed Procurement Information

5.1.2.1 Completeness of the Disclosed Procurement Information

The PE has made available the Tender Evaluation Reports without having attached on it the detail evaluation documents carried out for technical and financial proposals. Based on the available document, most of the Procurement Information, except four, are disclosed on the Standard Disclosure Template of CoST – Ethiopia at the last part of this report. The following lists of information couldn't be disclosed due to accessibility problem of documents from PE and/or Consulting Office.

- ✦ Engineer's Estimate,
- ✦ Lists of bidders collected the Bid Document,
- ✦ Content of any complaint lodged,
- ✦ Price per sq. meters of the project.

5.1.2.2 Accuracy of the Disclosed Procurement Information

The lists of information disclosed on the Standard Template are made in reference with copies of primary source documents. however, information with respect to the results of technical and financial proposals couldn't be checked with their detail evaluation documents due to the accessibility problem of Technical Proposal Evaluation Report and Bid documents.

5.1.3 Analysis of the Disclosed Procurement Information

5.1.3.1 Compliance of the Procurement Process with Rules of Advertisement

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

Bid Floating Period: The date of procurement notice of the bid was on April 27, 2013 and the deadline for bid submission was on May 17, 2013. Therefore, the floating period of the Bid would be 20 calendar days. In accordance with Article 16.9/2 of the Federal Public Procurement Directive (2010) the minimum bid period shall be 30 days for National Competitive Bid.

The Floating Period of the Bid was too short and less in 10 days from the minimum requirement period of the Procurement Directive (2010).

5.1.3.2 Efficiency of the Procurement Process (Timeliness)

The evaluation of the Technical Proposal has been completed on 26/09/05 after 44 days from the date of Bid Submission, 19/08/05. The period of evaluation of the Technical Proposal was too long compared to the total 60 days of Bid Validity Period described on the Bid Document, ITB 15.1 of Bid Data Sheet.

On the other hand, the PE has opened the financial offer on 06/10/2005, after having a delay of 10 days from the completion date of evaluation of the Technical Proposal. The approval on evaluation of the financial offer was made on 19/11/05. The Date of contract signing was on September 09, 2013.

The overall procurement process of the Bid has almost taken three and half months of period in such a way that a one & half months of delay was observed from the expected schedule of 60 days Bid Validity Period.

5.1.3.3 Fairness of the Procurement Rules On Participation

Submission Problem of Bid Offer: It has been observed that a lesser number of bidders have submitted their qualification applications for the Bid. only three (3) bidders have submitted their qualification applications and financial offers.

There is no document available from PE office to justify the root causes of submission problem of the Bid Offer by the Bidders. However, in reference with the available document, the following issues are analyzed as a potential cause to a possibility on undermining the Bidders from participation.

- **Bid Floating Period Restriction:** Bidders restriction on time for studying of the Bid Document and preparing their qualification Application in proper way,
- **Restriction of the Bid to NCB:** In accordance with Article 17.2/a/ of the Federal Public Procurement Directive (2010), it is stated that the procurement of works may be made by means of ICB if the value of the contract exceeds 50,000,000 birr. The provision of such article is the key advantage for the PE to apply on practice by changing the type of procurement to ICB so that the possibility of having sufficient numbers of bidders to participant on the bid would be high.

5.1.3.4 Transparency of the Tender Evaluation Process

In reference with the available documents it is observed that the evaluation process of the Technical and financial Proposals has been carried out in procedural way by assigning the Technical Committee for recommendation and Procurement Approval Committee for approval of the recommended results.

However, there transparency of the evaluation couldn't be against requirements due to accessibility problem on those documents. There is no also information available for any claim made on the transparency of the tender evaluation process.

5.1.3.5 Objectivity the Tender Evaluation and the Award Criteria

This part is left unanalyzed due to accessibility problem information of bid document and also detail evaluation report of the technical proposal.

5.1.3.6 Competitiveness of the Award Price

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

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

The Mixed Use Package Projects comprise construction of Multipurpose Hall, Mixed Use and Lecture Class Room Buildings at Hawassa Agriculture Campus and Medical Campus of the University. The Original Contract Price is 148,297,184.30 Birr (including VAT). The intended completion period of the whole of the works is 730 calendar days.

5.2 Disclosure of Contract Information

5.2.1 Overview of the Contract

Zamra Construction PLC has started the construction of the Contract Works on 06th day of October, 2013 after handing over the construction site from PE on 20th day of September, 2013. The intended date for

completing the whole of the works was 05th day of October, 2015. However, due to certain reasons the project couldn't be completed as per the intended completion date.

The construction works has been completed lately and the Provisional Acceptance was taken over on 03rd day of July, 2017 by the order of the consultant and after notification to all concerned parties.

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

5.2.2 Verification of the Disclosed Contract Information

5.2.2.1 Completeness of the Disclosed Contract Information

In accordance with the Standard Disclosure Template of CoST – Ethiopia, it is required to disclose 14 lists of information with respect to Implementation and Completion of the Works Contract. The information listed on the Standard Disclosure requires to access a number relevant documents made for implementation of the Contract for the Project. The main source of information required for this task but unavailable from PE as well as Consultant office are documents related to the following issues:

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

Contract Agreement Document (excluding price BOQ), Provisional Acceptance Document and Partial Progress Reports are the only available documents used for disclosure of Contract Information. The respective available documents have little information for the disclosure so that only 6 out of 14 lists of information are disclosed on Standard Disclosure Template.

5.2.2.2 Accuracy of the Disclosed Contract Information

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

5.2.3 Analysis of the Disclosed Contract Information

5.2.3.1 Issues Related to Contract Price

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

However, in reference with the available document of IPC no. 13, it is identified that payment has been certified for the new items of works which are out of the original contract agreement. The new work items include but not limited to the following:

Table 5.3: New Items of Work Included on IPC No.13

Item No.	Description of new work item	Location	Amount certified (in Birr)
1	Backfill	Mixed Use Building; under Compound Site Work	67,554.30
2	Hard core	Mixed Use Building; under Compound Site Work	330,174.60
3	C-25 Ground Slab	Mixed Use Building; under Compound Site Work	273,434.40
4	Shear Wall	Mixed Use Building; under Compound Site Work	14,003.30
5	Formwork Grade beam	Mixed Use Building; under Compound Site Work	63,793.00
6	Formwork Suspended Slab	Mixed Use Building; under Compound Site Work	22,638.10
7	Formwork Elevation column	Mixed Use Building; under Compound Site Work	4,850.40
8	Rebar Dia. 8	Mixed Use Building; under Compound Site Work	210,759.80
9	Rebar Dia. 10	Mixed Use Building; under Compound Site Work	1,034.20
10	Rebar Dia. 12	Mixed Use Building; under Compound Site Work	5,747.50
11	Rebar Dia. 16	Mixed Use Building; under Compound Site Work	11,386.10
12	Plastering	Mixed Use Building; under Compound Site Work	5,003.00
Total			1,010,378.70

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

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

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

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

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

5.2.3.2 Issues Related to Contract Duration

The construction of the project was planned to be completed within 730 calendar days. The start date of the construction work was on 06th October 2013 and intended to be completion on 05th October 2015. However, the actual completion date of the whole of the works was made on 16th February 2017. This indicates that the completion of the project has shown a significant delay by more than one year and four months from the intended period of time.

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

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

5.2.3.3 Issues Related to Contract Scope

This part is also left unanalyzed due to accessibility problem of information for changes to Contract Scope. However, in reference to IPC No. 13, there are addition of new work item beyond the contract scope as listed on Table 5.2 above.

6. CONCLUSION AND RECOMMENDATION TO THE MSG

6.1 Conclusion

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

The inefficiency of the PE on handling of Project Information is the main finding observed in this report. The required information relevant to the project couldn't be easily accessed and even there is no proper well-known place of documentation specifically assigned by the PE for handling of project information. In compliance with the requirements of article 32 of the PPA Directive, the PE is expected to properly maintain procurement information to facilitate 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. Only three bidders have submitted their qualifications. On the other hand, the bid floating period is restricted to 20 days for the respective complex project which could be one of the reasons for the problem of bid submission. It can be concluded that the type of Procurement, NCB, and limitation of bid floating period could be the main factor of low competition which the PE shall draw its attention for future improvement.

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

6.2 Issues Recommended for Further Review

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

7. Project and Contract Information Disclosure Template

DISCLOSURE OF PROCUREMENT & CONTRCT INFORMATION (44 ITEMS)				
PHASE	ITEMS OF DISCLOSURE	CONSTRUCTION	DESIGN	SUPERVISION
PROCUREMENT INFORMATION (30 ITEMS)	Date of disclosure	April 12, 2018		
	Contract title	Mixed Use Package Projects	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Location	Agriculture and Referral Campuses of the University	Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture Campuses.	
	Procuring entity	Hawassa University		
	Source for further information	Hawassa University – P.O. Box 05, Tel: +251-(0) 46 220 54 49 or 220 96 77/78 or 220 69 28. Fax +251 (0) 46 220 54 21		
	Date of procurement notice	April 27, 2013		DNA
	Floating period of the procurement notice	20 Cal. days		DNA
	Media used for procurement notice	The Ethiopian Herald		DNA
	Method of procurement	Open bidding		DNA
	Type of Procurement	NCB		DNA
	Procurement procedure	Two stage bidding		DNA

Evaluation criteria	QCBS	DNA
Type of contract	Unit Price Design-Bid-Build	Lump Sum
Type & Amount of bid security	Certified Cheque or Bank Guarantee of amount 300,000 Birr	DNA
Content of any complaint lodged	DNA	DNA
Engineer's estimate	DNA	DNA
Date of bid opening	May 17, 2013	DNA
Number of bidders: Participated, rejected and declined to submit	Participated: 3 Rejected: 1 Declined to Submit: DNA	DNA
Awarded firm/contracting firm	Zamra Construction	Zelege Belay Architect PLC
Date of contract award	29/12/05 E.C.	30/08/04 E.C
Award price/original contract price	148,297,184.30 Birr (including VAT)	2,102,243.00 Birr and 105,112.00 Birr for monthly Construction Supervision and Contract Administration
Unit Contract price (price/km, price/sq. meter)	DNA	NA
Contract security type and amount	10% of Contract Price in the form of Insurance Bond	
Date of contract signing	September 09, 2013	May 21, 2012
Contract scope	Construction of Multipurpose hall, Mixed use and Lecture Class room Buildings	Consulting Work on Building Design, Contract Administration and Supervision of Administration Office with landscaping, Central Garage, Library, Student Cafeteria, Multipurpose hall, Lecture theatre and Multipurpose Building Hawassa University at Main, Wondogenet, Medical and Health Science and Agriculture

			Campuses.		
	Description of contract & Contract components	In addition to the scope of the contract, the Contractor shall provide to the Engineer's Representative Office, Office Equipment and Furniture, Transport and Utilities.	Building Design, Contract Administration and Supervision		
	Contract administration entity	Zelege Belay Architect PLC	Hawassa University		
	Contract duration	730 Calendar days	90 days		
	Contract start date	06 th October 2013	May 21, 2012	06 th October 2013	
	Intended completion date	05 th October 2015		After the end of the construction	
CONTRACT IMPLEMENTATION & COMPLETION	Contract status (ongoing (% progress), terminated, completed)	Completed	Completed	Ongoing	
	completion date (Revised)	16 th February 2017	DNA	DNA	
	Changes to contract duration with Reason	497 Cal. Days; DNA for reasons of delay	DNA	DNA	
	Amount of Liquidated Damage if applied (Penalty for delay)	No penalty	DNA	DNA	
	Contract price (Revised)	155,804,702.19 (with VAT)	DNA	DNA	
	Changes to contract price with reason	7,507,517.89 (with VAT) Supplementary Contract Agreement for the construction of Surgical (OR) operation room, Pedestrian Bridge and	DNA	DNA	

(14 ITEMS)		Public Toilet.		
	Scope at completion			
	Changes to contract scope with reason			
	Total payment effected	102,509,181.27 Birr (including VAT) until May 18, 2017 (IPC 13)	DNA	DNA
	warranty type and description	DNA		
	Details of Termination if applied	NA	NA	NA
	Safety Measures (accident & death)	DNA	DNA	DNA
	Quality of work	DNA	DNA	DNA
	Disputed issues & Award details	DNA	DNA	DNA

Note:

NA – Note Applicable

DNA – Documents not Available

DISCLOSURE OF PROJECT INFORMATION (26 ITEMS)

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

PROJECT INFORMATION AT COMPLETION (8 ITEMS)	Cost of the project at completion	DNA
	changes of project cost with reason	
	Project completion date (Revised)	
	Actual duration for completing the whole project	
	changes of project duration with reason	
	Project Scope at completion	
	changes of project scope with reason	
	Reference to documents for disclosure upon request (reactive disclosure)	<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; ✚ Signed Supplementary Contract Agreement – Construction works;

Note:

NA – Note Applicable

DNA – Documents not Available