**Assurance report on reactive disclosure of project information of Wolkite University: Construction of laboratories, stores, and workshops**

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**Addis Ababa, Ethiopia | October 2018**

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# Preface

This Assurance Report has been written following the verification and analysis of the information disclosed by the Procuring Entity, Wolkite University. The information has further been verified from the consultant and the contractor documents for completeness and accuracy in accordance with the construction sector transparency initiative guidelines.

The report consists of eight chapters and one appendix. After the executive summary and summary of key findings, the second chapter provides introduction of the report that includes the objectives and activities of the assurance process. The third chapter provides the general project information and the contracts involved in the disclosure. The fourth, fifth, and sixth chapters respectively, deal with the procurement and contract information disclosures on design consultancy service contract, supervision consultancy contract, and Works contract. Verification and analysis of the disclosed information has been carried out in these three chapters in their respective procurement and contract information; that is, all the core information related to the procurement and implementation stages of the project are described for the three contracts. The observed shortcomings on the procurement and implementation phases of the project are analyzed based on the verified information together with the standards and provisions of the procurement and contract agreement. Chapter seven discusses the project specific issues on the three contracts and provides the conclusions and recommendations of the assurance process based on the observed causes of concern as a way of addressing the problems and improving the performance of project procurement and implementation. The last chapter lists the glossary terms and annexes of the report for easy reference.

Abbreviations used throughout the study report have been shown in the next pages. For the sake of uniformity, all dates stated in the report are Gregorian Calendar (GC) except some dates that are explicitly provided in EC (Ethiopian Calendar) along with Gregorian calendar.

Finally, the Assurance Professional would like to express its gratitude and acknowledgements for all participants that directly or indirectly contributed to this study.

# List of abbreviations

AP Assurance Professional

BoQ Bill of Quantities

CoST Construction Sector Transparency Initiative

EC Ethiopian Calendar

SEIA Social and Environmental Impact Assessment

EoT Extension of Time

FDRE Federal Democratic Republic of Ethiopia

GC Gregorian Calendar

GoE Government of Ethiopia

IDS Infrastructure Data Standard

MoE Ministry of Education

MPI Material Project Information

N/A Not Applicable

NCB National Competitive Bidding

NMSG-EC National Multi Stakeholder Groups Executive Committee

PE Procuring Entity

PLC Private Limited Company

PPA Public Procurement and Property Administration Agency

SCC Special Conditions of Contract

SoR Statement of Works

VAT Value Added Tax

# Executive summary

* 1. **Aim and objectives of the project level assurance**

The objective of the assurance process is to compile, verify, and analyze project information to be disclosed by the Procuring Entities. The assurance process includes data collection from the Procuring Entity; verification of the collected data; and analyzing the disclosed information with respect to applicable rules and standards.

The core activities of the assurance process include collecting project information from Procuring Entities in order to ensure the publication of the Infrastructure Data Standard; verifying the accuracy and completeness of the collected information and analyzing the obtained information in order to enable the public make informed judgments about the cost, time, and quality of the infrastructure; and producing reports that are clearly intelligible to the general public.

* 1. **Description of CoST-Ethiopia and NMSG**

The Construction Sector Transparency Initiative is an international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector by disclosing to the public information of the construction projects at all stages of the project cycle. CoST-Ethiopia is one of the countries who joined CoST since the pilot phase where a National Multi Stakeholder Group Executive Committee who is responsible for assessing the adequacy and reliability of the disclosed project information and audit processes is in charge of the leadership at country level. A number of building and infrastructure projects have been identified for disclosure of project information.

* 1. **Brief description of the project and contracts included in the report**

This disclosure report has been finalized in the mid of October 2018 based on available information provided by the Procuring Entity up to September 2018. The project name is construction of two laboratories, two stores, and one workshop in Wolkite University built under fourth phase of the ten universities expansion project. Three contracts; namely, design consultancy service contract, supervision and contract administration consultancy service contract, and Works contract has been covered in the disclosure of this project. The project has been designed and supervised by Gereta Consult PLC while the construction is undertaken by Tamrat Temesgen Building Contractor. The assurance report is prepared by the Assurance Professional, Kasiem Seid who has been assigned by CoST-Ethiopia.

* 1. **Summary of findings and causes of concern**

**Detailed engineering design consultancy service contract**

* The Procuring Entity could not provide procurement and contract information regarding design consultancy service contract as it was procured by MoE for all ten universities. Evidences indicate that open bidding procedure was applied for the selection of design consultant.

**Supervision and contract administration consultancy service contract**

* The design consultant has carried out the supervision and contract administration consultancy service that commenced in September 2014 and continued for about seven years.
* The main contract was signed for service duration of five years with a contract sum of 3,683,220.00 Birr including 15% VAT. This service fee is for supervision and contract administration of a number of contracts, buildings and other university facilities, including the subject contract having five blocks in the fourth phase of the university expansion project.
* The supervision service was extended for a service period by two years based on negotiation with the consultant after getting permission from PPA. The contract sum for the supplementary contract is 3,426,131.75 Birr including 15% VAT.

**Works contract**

* The contractor selection for this specific contract was not through competitive bidding; but, awarded through direct procurement from the shortlisted construction firms based on assessment on criteria set for this purpose. Unit price fixed by the Government and selection procedure on available contractor lists could be a cause of concern for fairness of procurement and competitiveness of fixed price respectively.
* The initial contract price is 28,378,975.04 Birr including 15% VAT and 10% contingency of 2,243,397.24 Birr. The initial intended completion period was 300 calendar days. There was no formal variation order and supplementary contract; however, some activities such as partition walling in the two stores were omitted by the Procuring Entity that has resulted in the total price reduction.
* Total executed works indicated in the final payment certificate date is 20,919,846.90 Birr before 15% VAT of which 2,124,545.01 Birr is for the price of material supplied by the Procuring Entity. Final payment is under process and there is a price reduction of 1,514,125.47 Birr and the final value of executed works is 93% of the initial contract amount. No price escalation payment was included in the four payment certificates and final payment certificate while the conditions of contract allow price escalation payment for the contract.
* There was no formal provisional acceptance of the project that was issued by the consultant and the Procuring Entity. The two laboratory buildings keys were transferred on August 25, 2016; the two store buildings keys were transferred on March 17, 2016; and the workshop building keys were transferred on October 26, 2015.
* The actual completion date was indicated in the extension of time analysis sheet prepared by the Procuring Entity as August 25, 2016 which is the last date the remaining buildings have been taken over.
* The contractor submitted extension of time claim to the Procuring Entity which was late where the extended contract of the supervision and contract administration consultancy service has expired. The PE has approved extension of time by 203 calendar days.

# Introduction

The construction sector plays a vital role in supporting social and economic development of a country and makes a major contribution to the economic growth and poverty reduction of a nation. However, mismanagement and corruption during the planning and implementation of construction projects can undermine the expected social and economic benefits.

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

It is, however, recognized that the disclosure of this information on its own may not be sufficient to achieve greater accountability. This is because some of the information is likely to be complex and may not be intelligible to the general public. An independent Assurance Professional (AP) is therefore appointed by the National Multi Stakeholder Group Executive Committee (NMSG-EC) who will be responsible for assessing the adequacy and reliability of the disclosed project information and audit processes, highlighting any causes for concern that the information reveals. Through periodic reporting, the Assurance Professional will provide an interpretative role in helping to make data disclosures intelligible to the stakeholders.

A number of building and facility projects have been identified by selected universities who undertake disclosure of project information. The NMSG-EC of CoST-Ethiopia contracted the assurance of disclosures from which this report is prepared for one of the university projects, construction of two laboratories, two stores, and one workshop and it is prepared by the Assurance Professional, Kasiem Seid.

* 1. **Brief on the overall content of the report**

Based on the memorandum of understanding signed between Construction Sector Transparency Initiative-Ethiopia, Federal Ethics and Anti-Corruption Commission, Federal Public Procurement and Property Administration Agency (PPA), and Federal Audit Office; it was agreed that Procuring Entities are required to release project information on the selected projects by their own capacity on the PPA website.

For this undertaking, disclosure capacity building training has been given to thirty-two public universities and nine governmental offices in five rounds. The disclosure by these universities is to be verified by experts assigned by CoST-Ethiopia. That is, in order to ensure that the information released by the Procuring Entities is both accurate and available in a form that can easily be understood by the stakeholders, it is required to be verified and analyzed by experts of Assurance Professionals (AP) who are appointed by the NMSG-EC.

The Assurance Professionals will carry out these activities and produce reports that will assist the NMSG-EC and other stakeholders to evaluate the level of transparency and governance of the relevant projects. The Assurance Professionals task has two phases; in the first phase, the AP collects information and verifies that the Material Project Information (MPI) or Infrastructure Data Standard (IDS) by its current name is both complete and accurate and in the second phase, the AP analyzes the disclosed data and interprets it so that the report will be more easily understood by the general public.

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

* 1. **Objective of the assurance process**

The objective of the assurance process is to compile, verify, and analyze project information to be disclosed by the Procuring Entities and produce a report that the general public can understand easily. The assurance process is comprised of data collection from the Procuring Entity; verification of the collected data; and analyzing the disclosed information as to the applicable rules and standards.

* 1. **Activities of the assurance process**

The core activities in the assignment of the assurance professional for the assurance process include:

1. Collecting project information from the PEs in close collaboration with assigned staff from PEs and, where necessary, consultants and contractors on selected projects in order to ensure the publication of the Infrastructure Data Standard (IDS) as outlined in the Disclosure Standards of CoST-Ethiopia.
2. Verifying the accuracy and completeness of the collected information and produce reports
3. Making site visit to get visual impression of the project and make additional verifications as required
4. Analyzing the obtained information in order to enable the public make informed judgments about the cost, time of delivery, and quality of the built infrastructure
5. Producing reports that are clearly intelligible to the non-specialist, highlighting the main findings and causes of concern the analyzed information reveals
6. Making presentations to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the reports accordingly
	1. **Challenges of the assurance process**

No major challenge has been recorded for data gathering except that the name of the project. Having obtained assignment letter from CoST-Ethiopia to the Procuring Entity, the Assurance Professional has collected the documents for the disclosure. The AP has contacted the PE’s assigned staff for document disclosures on the procurement of design constancy service contract; supervision and contract administration consultancy service contract, and works contract. Almost all available documents have been arranged by the PE’s representatives in due time as listed below.

The following documents have been availed by the PE in phases that are categorized in their time of availability:

* Contract document for the Works contracts;
* Progress reports on construction status;
* Latest and Final payment certificates for Works contractor;
* Supplementary agreement for consultancy service contract;
* Latest payment invoice for supervision consultant;
* EoT claim documents; and
* Key contractual correspondences.

The following documents could not be availed by the PE:

* Bidding document for design and supervision contracts;
* Biding evaluation report for design and supervision contracts;
* Main contract agreement for design and supervision consultancy service;
* Performance report and payment invoice for design consultancy service;
* Engineering cost estimate (N/A);
* Social and environmental impact assessment documents (SEIA); and
* Design and feasibility study reports.

# Disclosure of project information

Three major contracts are part of the project under study which includes:

1. Design consultancy service contract;
2. Supervision and contract administration consultancy service contract; and
3. Civil works construction contract.

The construction of two laboratories, two stores, and one workshop project at Wolkite University was designed and supervised by Gereta Consult PLC and it is constructed by Tamrat Temesgen Construction PLC.

* 1. **Project overview**

Including the third generation universities, there are thirty-two public universities in Ethiopia from which Wolkite University is one of the ten universities of the third generation. Eleven Universities project is currently under construction with added one university that increased the number of public universities to forty-four.

The construction projects in the ten universities were packaged in phases and the university being one of the ten universities of the third generation; it has a number of contracts in all campuses being constructed in phases. Building and infrastructure projects were packaged in sixteen contracts under the fourth phase and the construction of two laboratories, two stores, and one workshop project is part of these contract administered by Wolkite University in the third phase. This specific construction has been undertaken by the contractor with initial contract price of 28,378,975.04 Birr including **10% contingency** and 15% VAT.

* 1. **Scope of the project**

The scope of the project is construction of two laboratories, two stores, and one workshop; the Works contract contains construction of these facilities for the use of the university.

* 1. **Socio economic benefits (purpose) of the project**

No document regarding the socio economic benefits of the project was available with the Procuring Entity; however, verbal discussion with the PE assigned staff and site observation indicates that the project will increase the country’s enrollment capacity of students which has high social and economic benefit to the country.

* 1. **Undesired impacts of the project**

No document regarding undesired impacts of the project such as environmental and social impacts of the project was disclosed by the current procuring entity and no information is available whether such review has been conducted or not.

* 1. **Source of funding and project cost**

The source of funding of the project is the Government of Ethiopia, capital budget as per the PE’s assigned staff information.

* 1. **Project duration**

No document disclosing the whole project cycle duration is available with the PE. The whole project duration includes at least project identification period; procurement duration of design consultancy service contract; design period with any extension to the service period; procurement duration of construction and supervision; and construction period with any extension to the construction period.

The procurement and design period was not disclosed for the documents are not available with the current procuring entity. Design and supervision contract agreement was signed in September, 2009 with five years of service period that would end in September 2014. The supervision and contract administration consultancy service contract was for the supervision of other building facilities in the university’s premises including the subject construction project.

Four Works contracts in the second phase, three Works contracts in the third phase, and nine Works contracts in the fourth phase are part of the supervision contact agreement that the consultant is undertaking. The construction agreement was signed on March 26, 2014 and with 15 days of start date as of the contact signing, the project commenced on April 11, 2015.

Without considering the bidding period for the design consultancy service, the project took one and half years as of April 10, 2015. The initial duration for the construction phase of the project is 300 calendar days and the approved extension of time is 203 calendar days.

# Disclosure of procurement and contract information for detailed engineering design consultancy service

The Works contract comprising of two laboratories, two stores, and one workshop was designed along with other university facilities for which the design and supervision consultancy service was awarded to Gereta Consult PLC on an open tendering approach by the Federal Ministry of Education (MoE).

There is no evidence about the design consultancy service and associated payments by the Ministry of Education. However, the letter by MoE indicate that seven consultants were awarded the design and supervision consultancy service contracts based on open bid procedure to which the Gereta Consult PLC has been awarded for projects in Adigrat and Wolkite Universities.

Furthermore, the contract detail on the service contract for design of the five buildings along with other building facilities (contract signing date, contract price, and service period explicitly for the design service, etc.) could not be obtained with Wolkite University as it was undertaken by MoE for all ten universities. The scope of the service under this procurement was not disclosed for the above reason; that is, whether it includes feasibility study, social and environmental impact assessment (SEIA); tender document preparation, etc.

* 1. **Disclosure of procurement information**

Disclosure of procurement information regarding detailed engineering design consultancy service contract was not available with the current Procuring Entity, Wolkite University. Evidences indicate that the design and supervision contract services were procured by the Federal Ministry of Education through open bidding procedure whose detailed information is not obtained yet.

* 1. **Overview of procurement process**

Evidences indicate that open bidding procedure was applied for selection of the consultant; however, as no document was available with the current procuring entity, no discussion on the procurement process under this heading is presented.

* 1. **Verification of the disclosed procurement information**
1. **Completeness of the disclosed procurement information**

N/A

1. **Accuracy of the disclosed procurement information**

N/A

* 1. **Analysis of the disclosed procurement information**
1. **Compliance of the procurement process with rules of advertisement**

N/A

1. **Efficiency of the procurement process (Timeliness)**

N/A

1. **Fairness of the procurement process**

N/A

1. **Transparency of the tender evaluation process**

N/A

1. **Objectivity of the tender evaluation and award criteria**

N/A

1. **Competitiveness of the award price**

N/A

1. **Overview of contract milestones: original scope, time and cost**

N/A

* 1. **Disclosure of contract information**
	2. **Overview of the contract**

Evidences indicate that design consultancy service was administered by the Federal Ministry of Education where no detailed performance of the contract is available with Wolkite University.

* 1. **Verification of the disclosed contract information**
1. **Completeness of the disclosed contract information**

N/A

1. **Accuracy of the disclosed contract information**

N/A

* 1. **Analysis of the disclosed contract information**
1. **Issues related to contract price**

N/A

1. **Issues related to contract duration**

N/A

1. **Issues related to contract scope**

N/A

# Disclosure of procurement and contract information for supervision and contract administration consultancy service

Contract agreement between the Procuring Entity and the consultant (supplier) has been signed where the PE wishes to get the services from the consultant and the consultant having the required professional skills, personnel and technical resources, provides the services on the terms and conditions set forth in the contract document. The Federal Ministry of Education has contracted the services of supervision and contract administration consultancy for the ten universities based on the procurement selection as indicated in Table 5-1 below.

**Table 5-1: Selected consultants for supervision service for the “ten universities” project**

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Consultant name** | **University name** | **Remark** |
| 1 | Bet Architects | Hosanna University | **The subject project is part of the projects in Wolkite University to which the selected consultant is Gereta Consult.** |
| **2** | **Gereta Consult** | Adigrat University |
| **Wolkite University** |
| 3 | Acute Engineering | Metu University |
| Bule Hora University |
| 4 | National Engineers | Woldiya University |
| 5 | Ultimate Planners | Debretabor University |
| 6 | MH Engineering | Assosa University |
| Ambo University |

* 1. **Disclosure of procurement information**

Disclosure of procurement information regarding supervision and contract administration consultancy service contract was not available with the current Procuring Entity, Wolkite University. Evidences indicate that the design and supervision contract services were procured by the Federal Ministry of Education for ten universities in one package through open bidding procedure whose detailed information is not obtained yet.

* 1. **Overview of procurement process**

Evidences indicate that open bidding procedure was applied for selection of the consultant; however, as no document was available with the current procuring entity and the procurement was conducted ten years before for all ten universities in one package, no discussion on the procurement process under this heading is presented.

* 1. **Verification of the disclosed procurement information**
1. **Completeness of the disclosed procurement information**

N/A

1. **Accuracy of the disclosed procurement information**

N/A

* 1. **Analysis of the disclosed procurement information**
1. **Compliance of the procurement process with rules of advertisement**

N/A

1. **Efficiency of the procurement process (Timeliness)**

N/A

1. **Fairness of the procurement process**

N/A

1. **Transparency of the tender evaluation process**

N/A

1. **Objectivity of the tender evaluation and award criteria**

N/A

1. **Competitiveness of the award price**

N/A

1. **Overview of contract milestones: original scope, time and cost**

N/A

* 1. **Disclosure of contract information**
	2. **Overview of the contract**

The main contract was signed for service duration of five years with a contract sum of 3,683,220.00 Birr including 15% VAT. This service fee if for supervision and contract administration of a number of contracts, buildings, and other university facilities including the subject contract having five blocks in the fourth phase of the university expansion project. The main contract document was not disclosed by the current Procuring Entity, Wolkite University, and information regarding main contract agreement was obtained from supplementary contract and payment invoices.

Supplementary contract has also been signed for extension of the service period by two years based on negotiation with the consultant after getting permission from the Federal Public Procurement and Property Administration Agency. The contract sum for the supplementary contract is 3,426,131.75 Birr including 15% VAT and the price and time information of both the main and supplementary contracts is provided in Table 5-2 below.

Reviewed key correspondences indicate that the professional requirement for the services was dependent of the phases of the construction and the number of contracts (contractors) in each phase of the construction in the university under the main contract agreement to which the Ministry of Education was addressing necessary amendments on the deployment of the professionals.

**Table 5-2: Contract information (Source: Supplementary contract and final payment invoice)**



* 1. **Verification of the disclosed contract information**
1. **Completeness of the disclosed contract information**

Generally, key information concerning the performance of the supervision and contract administration contract information can be taken as complete except for some information such as main contract provisions if different from the contract amendment with the Universities. All information required for the disclosure has been disclosed by the Procuring Entity within the framework of the disclosure format with the exceptions provided in this report

The current Procuring Entity has provided the Assurance Professional a copy of the supplementary contract agreement while the main contract agreement had been made with the Federal Ministry of Education. Latest payment invoice and key contract information (correspondences) with cost breakdown of contract prices has also been provided by Wolkite University.

1. **Accuracy of the disclosed contract information**

Disclosed contract information on the supervision and contract administration consultancy contract is verified to be accurate as the information was extracted from documents produced by the consultant and contractor. That is, the Assurance Professional has verified the information provided by the Procuring Entity from sources of the information produced by the consultant and the contractor.

* 1. **Analysis of the disclosed contract information**
1. **Issues related to contract price**

The main contract commenced on September 25, 2009 and successive amending letters were issued by the Ministry of Education on assignment of key professionals. While construction of first phase projects were not completed by the agreed construction completion period and delayed for different reasons, next phase projects have commenced along with the uncompleted projects. This trend has also been observed on the second, third and fourth phase projects. On February 03, 2013 and before the completion date of September 24, 2014, the Ministry of Education notified the consultants engaged the ten university projects that the uncompleted projects and the start of next phase projects necessitated additional consultant staff man-months where the Federal Public Procurement and Property Administration Agency (PPA) was consulted how to manage the extra payments. The agency has advised the Ministry of Education that the PE is allowed for additional payments up to 25% as per the Public Procurement Directive with the following conditions:

* The adjustment shall not affect the Procuring Entity’s and public benefit;
* Other suppliers’ right shall not be affected;
* The adjusted or increased price shall not have special benefit for the suppliers (consultants); and
* No adjustment shall be made to the unit prices quoted in the contract agreement.

The Ministry of Education then allowed the consultants to increase the monthly fee of the consultancy service up to 25% inclusive of 15% VAT and provided monthly fee of 14,800.00 Birr for two assistant resident engineers for Wolkite University projects as maximum cap price. The consultants were allowed to provide additional key professionals as required maintaining the monthly maximum cap price and the total allowed price increase without getting agreement on the required man-months of the additional consultancy services.

Copy of the main contract agreement could not be availed by the University when this report was finalized. For this reason, main contract breakdown of costs and total key professionals’ man-months could not be compared with the adjustment made in the supplementary contract. The main contract amount for design consultancy service as indicated in the supplementary contract and consultant’s payment invoice was 2,979,245.00 Birr including 15% VAT. The supplementary contract and letters from the MoE indicate that main contract agreement was signed for the ten universities with the Ministry of Education.

Following the completion of the first five years main contract service period with permitted additional cost up to 25% of the contract sum, the current Procuring Entity, Wolkite University, has requested the Public Procurement and Property Administration Agency for permission to extend the service period without conducting procurement process. The agency has allowed for restricted bidding to which the PE re-applied to be allowed for extending the consultancy service with Gereta Consult PLC so that the planned University’s student enrolment will not be affected. The procuring entity justified that the restricted bidding process would also take time and the engagement of the consultant would benefit the PE having the experience of the existing construction projects in the university. On June 03, 2015, the agency has finally agreed and allowed the PE for extension of the consultancy service for only one time with rock bottom price as per article 16/5 of the proclamation number 649/2001 on special case basis.

As per the minute of the management committee of the Procuring Entity dated September 03, 2015, the consultant has notified the PE that supervision service fee has to be increased by at least 45% of the initial price in consideration of national level price escalation before any decision to extend the consultancy service contract. The management committee agreed to extend the consultancy contract with the following conditions:

* The consultant shall continue the supervision consultancy contract with the same staffing and price from October 2015 to April 2015; and
* The consultant shall continue the supervision consultancy contract as of May 2015 with reduced staffing from seven to four and increased price by 25% of the initial price.

Following these procedures and PPA’s agreement for the extension of the consultancy service, a supplementary agreement has been signed between the two parties on September 25, 2014 for service period of two years and with a contract sum of 3,426,131.75 Birr. That is, contract amendment (supplementary contract) between the consultant and the Procuring Entity has been signed where:

* The conditions and provisions of the main agreement (signed between the Federal MoE and the consultant) apply to the supplementary contract;
* The service duration of the consultancy service contract is extended by two years; and
* The monthly supervision and reimbursable fee is revised and increased by 25% of the initial contract price.

The PE disclosed the final supervision payment invoices where a total sum of 7,963,486.83 Birr including 15% VAT has been paid in the seven years duration, forty one rounds, from June 25, 2010 to February 01, 2017 as indicated in Table 5-3 below.

**Table 5-3: Consultant payment summary (Source: Final payment invoice)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Duration** | **Total Man-months** | **Payment amount** | **15% VAT** | **Total Amount** |
| Monthly fee before amendment | **327.88** | **4,813,246.15** | **721,986.92** | **5,535,233.07** |
| Monthly fee after amendment | **98.40** | **1,875,650.00** | **281,347.50** | **2,156,997.50** |
| General service fee | **235,875.00** | **35,381.25** | **271,256.25** |
| **Total sum** | **7,963,486.82**  |

The payment summary indicated that 28% of the consultant payment is paid with adjusted supervision fee negotiated between the consultant and the PE while 72% is paid in accordance with the main contract supervision fee within the total period of seven years. **The total payment effected to the consultant is 216% of the main contract price initially agreed and it is 112% of the sum of the main and supplementary contract prices.**

Monthly supervision fee covering a three months period from July to September 2016 for salary costs of five key personnel based on adjusted supervision fee rate was computed and attached on the final payment invoice with a sum of 242,850.00 Birr before 15% VAT. However, it was not summed to the total payment to be paid to the consultant.

It has to be noted finally that the main contract agreement that was transferred to the ten universities was not available with the current PE and considering the signed supplementary contract and final payment invoice documents, payment details have been summarized as indicated in Tables 5-4 and 5-5 below. The payment invoices of the consultancy services indicate that there is no retention money deducted from the consultant monthly supervision and reimbursable fee.

**Table 5-4: Total value of monthly service fee until April 2015**



**Table 5-5: Total value of monthly service fee from April 2015 to September 2016**



1. **Issues related to contract duration**

The commencement date of the service was on September 25, 2009 and the initial planned completion date of the service was on September 24, 2014 (after five years of consultancy service). The contract has been extended by two years up to September 24, 2016.

The supervision and contract administration service has been rendered for a number of contracts to which this specific disclosed Works contract is part of the others. The specific Works contract by itself has delayed and it was the case for other construction contracts as well indicating that the reason of contract period extension for the supervision and contract administration consultancy service contract is a cumulative delay of the university expansion projects starting from the first phases till the last phase.

While the specific construction project was completed and has been taken over by the PE, other projects were not completed as planned initially and open bidding procedure was applied for the selection of supervision consultant. Gereta consult PLC who has been giving the consultancy service for seven years with two years extension permitted by the PPA for only one time has also participated in the Bid; however, another consultant has won the Bid and contract agreement has been signed with the new consultant for supervision and contract administration of the remaining projects.

1. **Issues related to contract scope**

There is no contract scope change in relation to construction of waste water treatment plant.

# Disclosure of procurement and contract information for Works contract

The Works contract for construction of two laboratories, tow stores, and one workshop is made between the Procuring Entity, Wolkite University, and the Contractor, Tamrat Temesgen Building Contractor. The contractor selection is based on previous contract performance of contractors with other university projects. Minutes of contractors’ performance and recommendation for selection of contractors by Wolkite University was provided to the Assurance Professional and contract award was made based on unit price fixed by Government.

* 1. **Disclosure of procurement information**

The contractor selection for this specific contract was not through competitive bidding; but, awarded through direct procurement from the shortlisted construction firms based on assessment on criteria set for this purpose. As the contractor selection is based on assignment by the Ministry of Education for available lists of contractors with unit prices fixed by Government, disclosure of procurement information regarding Works contract is not applicable.

Unit price fixed by the Government and selection procedure on available contractor lists could be a cause of concern for fairness of procurement and competitiveness of award price respectively. Which Government office should shortlist contractors for such jobs; availability of reasonable selection guideline for fairness of procurement and inclusion (or non-discrimination) of all eligible construction firms could be considered issues of concern with the selection procedure.

The selection criteria indicated in the disclosed minutes for selection of contractors for the third phase construction projects in Wolkite University is shown in Table 6-1 below.

**Table 6-1: Contractor selection criteria for third phase university construction projects**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria number** | **Criteria description** | **Score point** | **Remark** |
| 1 | Determination of the contractors to complete the works in the second phase within the contract completion period | 15% |  |
| 2 | Contractors’ proper rectification of defects on the provisionally accepted projects of the first phase | 10% |  |
| 3 | Work relationship with MSE subcontractors | 10% |  |
| 4 | Contactors’ organizational capacity with respect to professional staffing and office facilities | 15% |  |
| 5 | Attendance of the contractors in trainings and meetings (organized by the PE) | 10% |  |
| 6 | Works quality | 15% |  |
| 7 | Contractors’ registered class | 10% |  |
| 8 | Contractors’ capacity with respect to machinery ownership | 15% |  |
| **Total score point** | **100%** |  |

There were twenty-two contractors working in the university and among the twenty-two contractors involved in the second phase of the university building and infrastructure projects, thirteen contractors were selected for third phase construction based on their performance. Then, based on the eight criteria indicated above, the thirteen contractors were evaluated and ranked by the PE and consultant as shown Table 6-2 below.

And, this contractor was one of the contractors to be awarded for available projects where the construction of waste water treatment plant was one of the third phase building and infrastructure projects and the contractor to which Yohannes Haile Building Contractor was assigned for this project.

One contractor who satisfies the requirement was not recommended for available job for the reason that the contractor has no good relationship with the Ministry of Education.

There were discrepancies in the computation of contractors’ scores and errors in consequent ranking are observed for the attachment. If the ranking has effect on project assignment, the errors could have affected the contractors’ right of getting better projects. For this specific contract, the contractor was ranked second while the corrected rank was in the fourth rank. For example, the contractor for this specific contract was assigned on a compiled project with a contract sum of 30,439,652.98 Birr to which Easek Construction was to be assigned based on the corrected ranking who was assigned for a compiled project with a contract sum of 16,841,009.78 Birr. The discrepancy has also effect on other assignments of contractors which could have arisen due to non-transparency of the ranking and evaluations to the respective contractors who could comment the discrepancy and possibly request for correction is a complaint procedure is in place.

The project types and contract sum of this specific contract was later readjusted to be 28,378,975.04 including 15% VAT and 10% contingency. The building types are also changed during the contract signing time.

**Table 6-2: Contractor selection scores and ranks**



**Table 6-3: Assigned contracts based on contractors’ selection with corrected ranks**



* 1. **Overview of procurement process**

In this contract formation, the offer is from the Procuring Entity and the contractor accepted the offer and contract with a unit price fixed by Government under a unit price or admeasurement contract type has been signed.

* 1. **Verification of the disclosed procurement information**
1. **Completeness of the disclosed procurement information**

N/A

1. **Accuracy of the disclosed procurement information**

N/A

* 1. **Analysis of the disclosed procurement information**
1. **Compliance of the procurement process with rules of advertisement**

N/A

1. **Efficiency of the procurement process (Timeliness)**

N/A

1. **Fairness of the procurement process**

N/A

1. **Transparency of the tender evaluation process**

N/A

1. **Objectivity of the tender evaluation and award criteria**

N/A

1. **Competitiveness of the award price**

N/A

1. **Overview of contract milestones: original scope, time and cost**

N/A

* 1. **Disclosure of contract information**
	2. **Overview of the contract**

Contract agreement for the construction of two laboratories, two stores, and one workshop at Wolkite University between the Procuring Entity and the contractor (Tamrat Temesgen Building Contractor) was signed on March 26, 2015 with a contract price of 28,378,975.04 Birr including 15% VAT and 10% contingency.

The intended contract completion period is 300 calendar days. The start date is indicated as 15 calendar days after the signing date of the contract in the special conditions of contract (SCC) while the start date is indicated to count after signing of the contract in the statement of works (SoR).

* 1. **Verification of the disclosed contract information**
1. **Completeness of the disclosed contract information**

As far as the Works contract information is concerned, the disclosure of contract performance can be taken as complete. That is, key information concerning the performance of the Works contract information can be taken as complete. All information required for the disclosure has been disclosed by the Procuring Entity within the framework of the disclosure format with the exceptions provided in this report. Contract agreement with bill of quantities (BoQ); latest payment certificate; extension of time; provisional acceptance; key contract information (correspondences); and other necessary documents have been provided by Wolkite University.

1. **Accuracy of the disclosed contract information**

Disclosed contract information on the Works contract is verified to be accurate as the information was extracted from documents produced by the Procuring Entity, consultant and contractor. That is, the Assurance Professional has verified the information provided by the Procuring Entity from sources of the information produced by the consultant and the contractor.

* 1. **Analysis of the disclosed contract information**
1. **Issues related to contract price**

The initial contract price is 28,378,975.04 Birr including 15% VAT and 10% contingency of 2,243,397.24 Birr.

There was no formal variation order and supplementary contract; however, some activities such as partition walling in the two stores were reported to be omitted by the Procuring Entity. This has resulted in the total price reduction even though it was not formalized in the form of variation orders.

Total executed works indicated in the final payment certificate date is 20,919,846.90 Birr before 15% VAT of which 2,124,545.01 Birr is for the price of material supplied by the Procuring Entity. Final payment is under process and there is a price reduction of 1,514,125.47 Birr and the final value of executed works is 93% of the initial contract amount.

No price escalation payment was included in the four payment certificates and final payment certificate while the conditions of contract allow price escalation payment for the contract. In the Special Conditions of Contract (SCC) article 62.1, the following provision is provided:

*“The Contract is subject to price adjustment”.*

As the intended completion period is 300 calendar days and the procurement directive allows price escalation payment for projects with 18 months (480 calendar days) where the PE and contractor were not perhaps aware of the price escalation payment provided in the contract. The contractor has been granted 203 calendar days where the revised completion period would be 503 calendar days including the approved extension of time.

1. **Issues related to contract duration**

Though no formal provisional acceptance of the project was issued by the consultant and the Procuring Entity, evidences indicate that the building keys have been transferred to the Procuring Entity in the following schedule. These dates were also confirmed by the contractor in the letter for submission of the extension of time claims.

* The two laboratory buildings keys were transferred on **August 25, 2016**.
* The two store buildings keys were transferred on **March 17, 2016**.
* The workshop building keys were transferred on **October 26, 2015**.

The actual completion date (provisional acceptance date) was indicated in the extension of time analysis sheet prepared by the Procuring Entity as August 25, 2016 which is the last date the remaining buildings (two laboratories) have been taken over. Table 6-2 below presents key contract dates for the Works contract.

**Table 6-2: Works contract data**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Contract milestone | Date in EC  | Date in GC  | Remark |
| 1 | Contract signing date | Megabit 17, 2007 | March 26, 2015 | * *The PE granted* ***203 days*** *of extension of time.*
* *The PE took actual completion date as* ***August 25, 2016*** *which is the last date the laboratories has been taken over.*
 |
| 2 | Site handover date | Megabit 23, 2007 | April 01, 2015 |
| 3 | **Start date** | **Miazia 08, 2007** | **April 10, 2015** |
| 4 | **Initial completion date** | **Yekatit 03, 2008** | **February 11, 2016** |
| 5 | *Laboratories take over date* | *Nehasse 19, 2008*  | *August 25, 2016* |
| 6 | *Stores take over date* | *Megabit 08, 2008* | *March 17, 2016* |
| 7 | *Workshop take over date* | *Tikimt 15, 2008* | *October 26, 2015* |
| 8 | **Actual completion date** | **Nehasse 19, 2008** | **August 25, 2016** |
| 9 | Extended completion date | Nehasse 26, 2008 | September 01, 2016 |

The contractor submitted extension of time claim on January 31, 2018 to the Procuring Entity whose details are presented in Table 6-3 blow. The time the claim submitted by the contractor was late where the extended contract of the supervision and contract administration consultancy service has expired. A new consultant in charge of certifying the extension of time has not certified the claim and evidences indicate that the Procuring Entity managed the certification and approval of the extension of time claims of all contractors in the absence of the consultant.

The university management committee conducted a meeting on the issue and decided that the extension of time claims submitted by eight contractors and evaluated by the PE’s project office shall be approved by the management committee. The minute of the management committee meeting indicate that the new assigned consultant (Yohannes Abbay Consulting firm) could not certify the extension of time claims as it could be difficult for the consultant to verify the correctness of the claim issues for the new consultant.

**Table 6-3: Extension of time claim submitted by the contractor in days**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Cause of delay | Notice date  | Response date  | EoT claimed | Remark |
| 1 | Store obstruction for surveying  | Apr 7, 2015 *29/07/2007 EC* | May 20, 2015*12/09/2007 EC* | 34 | Overlap with the 4th delay cause |
| 2 | Shortage of cement  | Apr 22, 2015*14/08/2007 EC* | May 22, 2015*14/09/2007 EC* | 30 |
| 3 | Shortage of reinforcement bar | May 29, 2015*21/09/2007 EC* | July 10, 2015*03/11/2007 EC* | 43 | **95 days in year 2015** |
| 4 | Design problem | Apr 1, 2015*23/07/2007 EC* | May 22, 2015*14/09/2007 EC* | 52 |
| 5 | PE’s use of the building for storage of furniture | Feb 24, 2016*16/06/2008 EC* | Mar 07, 2016*28/06/2008 EC* | 12 | **65 days in year 2016** |
| 6 | Sewer pipe obstruction | May 10, 2016*02/09/2008 EC* | June 16, 2016*09/10/2008 EC* | 38 |
| 7 | PE’s use of the building for storage of furniture | July 8, 2016*01/11/2008 EC* | July 23, 2016*16/11/2008 EC* | 15 |
| Total days claimed by the contractor | **224** |  |

The contractor’s claim has overlapping delay causes; that is, the first and second delay causes presented for extension of 74 calendar days are concurrent with the fourth delay cause to which it could not be considered for extension of the period of performance. The third, fourth, fifth, sixth, and seventh causes of delay could be considered for extending the period of performance.

Therefore, if the causes of delay are well justified by supporting evidences, contractual and legal provisions, 95 calendar days in year 2015 and 65 calendar days in year 2016 could be considered for extension of time. In total, the extension of time that could be considered as per the contractor’s submission is 160 calendar days. The contractor’s extension of time claim for seven causes of delay can be seen from the diagram in Figure 6-1 below.

|  |
| --- |
|  |
| DELAY CAUSES DURING YEAR 2015 |
|  |
| DELAY CAUSES DURING YEAR 2016 |

**Fig. 6-1: Contractor’s extension of time claim diagram in the years 2015 and 2016**

The PE project office has evaluated the submitted claim as presented in Table 6-4 below with the following remarks.

* **The response date for delay cause #2 was July 10, 2015 which was stated as August 10, 2015 in the PE’s EoT approval that puts extra 30 days extension of time. The contractor requested 43 days of extension of time for this delay cause.**
* **The response date for delay cause #3 was March 07, 2016 which was stated as March 22, 2016 in the PE’s EoT approval that puts extra 15 days extension of time. The contractor requested 12 days of extension of time for this delay cause.**
* **The total extension of time after correction of the above dates is 158 calendar days**

**Table 6-4: Extension of time claim approved by the Procuring Entity in days**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Cause of delay | Notice date | Response date | EoT approved | Remark |
| 1 | Design problem (delay of design review report by the consultant) | Apr 1, 2015*23/07/2007 EC* | May 22, 2015*14/09/2007 EC* | 51 |  |
| 2 | Shortage of reinforcement bar to be supplied by the PE | May 29, 2015*21/09/2007 EC* | Aug 10, 2015*03/11/2007 EC* | 73(43) | Response date was July 10, 2015. |
| 3 | PE’s use of the building for storage purpose | Feb 24, 2016*16/06/2008 EC* | Mar 22, 2016*28/06/2008 EC* | 27(12) | Response date was March 07, 2015. |
| 4 | Sewer pipe obstruction | May 10, 2016*02/09/2008 EC* | June 16, 2016*09/10/2008 EC* | 37 |  |
| 5 | PE’s use of the building for storage of furniture | July 8, 2016*01/11/2008 EC* | July 23, 2016*16/11/2008 EC* | 15 |  |
| Total days claimed by the contractor | **203****(158)** |  |

There is evidence that the contractor submitted extension of time claim during the presence of the supervision consultant, on July 22, 2015 (Hamle 15, 2007 EC), to which the consultant was required to certify and send to the PE for approval in time. The new consultant could also analyse the delay causes and certify the extension of time claim based on available evidences which doesn’t necessarily require physical presence during the construction period.

The project has been completed and the PE has taken over the buildings time by time starting from October 26, 2015 to August 25, 2016 with a total construction period of 503 calendar days as shown in Figure 6-2 below.



**Fig. 6-2: Construction performance timeline**

1. **Issues related to contract scope**

There is no contract scope change in relation to construction of waste water treatment plant; however, variation orders and supplementary contract has been considered to accommodate unforeseen design and adaptation matters and there are no unjustified changes to the scope of the Works.

# Conclusions and recommendations to the MSG

The following conclusions and recommendations are drawn from the disclosure of documents in the three contracts.

* 1. **Conclusions**

Key findings of the assurance process on the disclosures on the detailed engineering design consultancy service contract include:

* The procuring Entity could not provide procurement and contract information regarding design consultancy service contract as it was procured by the Federal Ministry of Education for all ten universities. Evidences indicate that open bidding procedure was applied for the selection of design consultant.
* There is no evidence about the design consultancy service and associated payments by the Ministry of Education. However, the letter by MoE indicate that seven consultants were awarded the design and supervision consultancy service contracts based on open bid procedure to which the Gereta Consult PLC has been awarded for projects in Adigrat and Wolkite Universities.
* Contract details for design of the five buildings along with other building facilities (contract signing date, contract price, and service period explicitly for the design service, etc.) was not be obtained and the scope of the service under this procurement was not disclosed whether it includes feasibility study, social and environmental impact assessment (SEIA); tender document preparation, etc.

Key findings of the assurance process on the disclosures on the supervision and contract administration consultancy service contract include:

* The design consultant has carried out the supervision and contract administration consultancy service where the service commenced on September 2014 and continued for about seven years.
* The main contract was signed for service duration of five years with a contract sum of 3,683,220.00 Birr including 15% VAT. This service fee is for supervision and contract administration of a number of contracts, buildings and other university facilities, including the subject contract having five blocks in the fourth phase of the university expansion project.
* The main contract agreement was not available with Wolkite University even though evidences indicate that the Ministry of Education has sent all contractual agreements to the universities. However, signed contract amendment (supplementary contract agreements) indicates that the signed contract agreement is binding between the parties.
* Following the completion of the first five years main contract service period with permitted additional cost up to 25% of the contract sum, the Procuring Entity has requested the Public Procurement and Property Administration Agency for permission to extend the service period without conducting procurement process.

The agency has allowed for restricted bidding to which the PE re-applied to be allowed for extending the consultancy service with Gereta Consult PLC so that the planned University’s student enrolment will not be affected. The procuring entity justified that the restricted bidding process would also take time and the engagement of the consultant would benefit the PE having the experience of the existing construction projects in the university. On June 03, 2015, the agency has finally agreed and allowed the PE for extension of the consultancy service for only one time with rock bottom price as per article 16/5 of the proclamation number 649/2001 on special case basis.

* The supervision service was extended for a service period by two years based on negotiation with the consultant after getting permission from the Federal Public Procurement and Property Administration Agency. The contract sum for the supplementary contract is 3,426,131.75 Birr including 15% VAT.
* The total payment effected to the consultant is 216% of the main contract price initially agreed and it is 112% of the sum of the main and supplementary contract prices. The payment summary indicated that 28% of the consultant payment is paid with adjusted negotiated supervision fee while 72% is paid in accordance with the main contract supervision fee within the total period of seven years.
* Monthly supervision fee covering a three months period from July to September 2016 for salary costs of five key personnel based on adjusted supervision fee rate was computed and attached on the final payment invoice with a sum of 242,850.00 Birr before 15% VAT. However, it was not summed to the total payment to be paid to the consultant.

Key findings of the assurance process on the disclosures on the construction (Works) contract include:

* The contractor selection for this specific contract was not through competitive bidding; but, awarded through direct procurement from the shortlisted construction firms based on assessment on criteria set for this purpose. Unit price fixed by the Government and selection procedure on available contractor lists could be a cause of concern for fairness of procurement and competitiveness of award price respectively. Which Government office should shortlist contractors for such jobs; availability of reasonable selection guideline for fairness of procurement and inclusion (or non-discrimination) of all eligible construction firms could be considered issues of concern with the selection procedure.
* There were discrepancies in the computation of contractors’ scores and errors in consequent ranking are observed for the attachment. If the ranking has effect on project assignment, the errors could have affected the contractors’ right of getting better projects. The discrepancy has also effect on assignments of contractors which could have arisen due to non-transparency of the ranking and evaluations to the respective contractors who could comment the discrepancy and possibly request for correction is a complaint procedure is in place.
* The initial contract price is 28,378,975.04 Birr including 15% VAT and 10% contingency of 2,243,397.24 Birr. The initial intended completion period was 300 calendar days. There was no formal variation order and supplementary contract; however, some activities such as partition walling in the two stores were reported to be omitted by the Procuring Entity. This has resulted in the total price reduction even though it was not formalized in the form of variation orders.
* Total executed works indicated in the final payment certificate date is 20,919,846.90 Birr before 15% VAT of which 2,124,545.01 Birr is for the price of material supplied by the Procuring Entity. Final payment is under process and there is a price reduction of 1,514,125.47 Birr and the final value of executed works is 93% of the initial contract amount. No price escalation payment was included in the four payment certificates and final payment certificate while the conditions of contract allow price escalation payment for the contract.
* There was no formal provisional acceptance of the project that was issued by the consultant and the Procuring Entity; however, evidences indicate that the building keys have been transferred to the Procuring Entity. The two laboratory buildings keys were transferred on August 25, 2016; the two store buildings keys were transferred on March 17, 2016; and the workshop building keys were transferred on October 26, 2015.
* The actual completion date (provisional acceptance date) was indicated in the extension of time analysis sheet prepared by the Procuring Entity as August 25, 2016 which is the last date the remaining buildings (two laboratories) have been taken over.
* The contractor submitted extension of time claim to the Procuring Entity which was late where the extended contract of the supervision and contract administration consultancy service has expired. A new consultant in charge of certifying the extension of time has not certified the claim and evidences indicate that the Procuring Entity managed the certification and approval of the extension of time claims of all contractors in the absence of the consultant. The PE has approved extension of time by 203 calendar days.
* The contractor’s claim has overlapping delay causes and if the other non-overlapping causes of delay are well justified by supporting evidences, contractual and legal provisions, 95 calendar days in year 2015 and 65 calendar days in year 2016 could be considered for extension of time. In total, the extension of time that could be considered as per the contractor’s submission is 160 calendar days.
* There is evidence that the contractor submitted extension of time claim during the presence of the supervision consultant, on July 22, 2015 (Hamle 15, 2007 EC), to which the consultant was required to certify and send to the PE for approval in time. The new consultant could also analyze the delay causes and certify the extension of time claim based on available evidences which doesn’t necessarily require physical presence during the construction period.

* 1. **Recommendations for further review**

In relation to the finding of this assurance process, the previous procuring entity (Ministry of Education) is recommended to be part of the disclosure together with the current procuring entity (Wolkite University). The transfer of the project administration by the respective universities should have been with full document transfer from the Ministry of Education.

The NMSG is recommended to have a dialogue with the project participants in order to address the observed problems, especially the contractor selection issues, delays and contract administration practices. Compilation of the findings of such assurance reports and addressing the wider project participants for experience sharing is vital. Similar problems could be observed on the ongoing projects to which the assurance process could intervene by disclosing and arranging seminars for discussion could increase awareness and lesson learning by industry stakeholders. Such issues include project implementation after completion of facilities; project delays and consultant’s handing of delay claims; proper progress reporting and timely review by the Procuring Entities to reduce inaccurate progress reports; etc.

No specific further review could be recommended at this time as the disclosures have reasonably been verified and analyzed; however, the discrepancy of reporting between the payment certificates and progress reports could be reviewed so that actual execution of the works would be revealed.

# Glossary

**Accountability:** CoST’s aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to ‘get what you pay for’. The ‘you’ in this context applies equally to national governments, affected stakeholders and to the wider public.

**Budget:** an amount of money allocated to a project or scheme

**Compensation event/Claim:** An event at the risk of the Employer, which may change the programme or price for the project if it occurs.

**Competitive Tendering**: Awarding contracts by the process of seeking competing bids from more than one contractor.

**Construction Sector Transparency (CoST) Initiative:** An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector.

**Contract**: A binding agreement made between two or more parties, which is intended to be legally enforceable.

**Supervision contract:** A contract with a consultant to oversee the performance of the contractor on the construction work, to give a level of reassurance to the Employer about the quality of the work.

**Contract period:** An arrangement for the supply of works, goods or services established for a fixed period of time.

**Consultant:** An organization or individual who has made a contract to provide consultancy services such as study, design, supervision and contract administration.

**Contractor**: An organization or individual who has made a contract to undertake Works, supply goods or provide services.

**Engineering cost estimate:** A cost estimate prepared by the buyer of works, goods or services which provides a benchmark or a basis for evaluation and/or negotiation when tenders/offers are received from tenderers. It also serves as an instrument of project planning and budgeting.

**Material Project Information (MPI):** MPI in this context is intended to indicate that information disclosed on a project is sufficient to enable stakeholders to make informed judgments about the cost and quality of the infrastructure concerned.

**Offer:** An offer can be the positive answer issued by a tenderer in response to a tender invitation, or an announcement to deliver goods, carry out works and/or services to every or specific buyer without a specific request or invitation to tender. Also refers to an expression of readiness by a tenderer to enter into a contract.

**Procurement:** The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

**Procuring Entities (referred as clients/employer and contracting authorities):** the State, regional or local authorities, bodies governed by public law or associations formed by one or several of such authorities that procure works, goods and services with full or part public funding.

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| **CoST-ETHIOPIA** |
| **CONSTRUCTION OF TWO LABORATORIES, TWO STORES, AND ONE WORKSHOP PROJECT****PROJECT AND CONTRACT INFORMATION DISCLOSURE** |
| **October 2018** |

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| 1. **DISCLOSURE OF PROJECT INFORMATION**
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| 1. **RELIMINARY PROJECT INFORMATION [18 ITEMS]**
 | **No** | **ITEM OF DISCLOSURE** | **PROJECT IN GENERAL** |
| 1 | Date of disclosure | 30 October 2018 |
| 2 | Project owner | Wolkite University |
| 3 | Project name | Construction of two laboratories, two store, and one workshop |
| 4 | Sector, subsector  | Building facilities sector |
| 5 | Source for further information | Ato Tariku Dessu (Wolkite University; construction project office)T: +251 911 74 91 35E: tarikudessu@gmail.com |
| 6 | Project location | South Nations National Peoples Regional State; Wolkite Zone - Wolkite University |
| 7 | Purpose | Construction of laboratories, store, and workshop |
| 8 | Project description | Construction of laboratories, store, and workshop |
| 9 | Original project scope  | The project includes civil work construction activities for laboratories, store, and workshop etc. |
| 10 | Project components | 1. Engineering detailed design consultancy service contract
2. Supervision and contract administration consultancy service contract
3. Works/construction contract
 |
| 11 | Environmental impact | N/A |
| 12 | Land & settlement impact | N/A |
| 13 | Estimated budget of the project with breakdown of components | 1. Engineering design contract – N/A
2. Supervision contract – Birr 3,683,220.00 including 15% VAT
3. Works / construction contract – Birr 28,378,975.04 including 15% VAT and 10% contingency
 |
| 14 | Funding sources | Government of Ethiopia (GoE) |
| 15 | Project budget approval date | N/A |
| 16 | Project start date (planned, actual) | April 10, 2015 |
| 17 | Planned/original duration for completing the whole project | 1. Engineering detailed design contract – No information
2. Supervision contract – 5 years
3. Works / construction contract – 300 calendar days
 |
| 18 | Planned/original cost of the project | Total Estimated Budget – N/A |
| Remark: |
| 1. **DISCLOSURE OF PROCUREMENT INFORMATION**
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| 1. **PROCUREMENT INFORMATION [30 ITEMS]**
 | **No** | **ITEM OF DISCLOSURE** | **DESIGN** | **SUPERVISION** | **CONSTRUCTION** |
| 1 | Date of disclosure | 30 October 2018 |
| 2 | Contract title  | Design of ten universities: fourth generation construction project | Contract agreement for consultancy services for the construction supervision of two laboratories, two stores, and workshop project | Contract agreement for construction works of two laboratories, two stores, and workshop project |
| 3 | Location | Same location as stated in project information | Same location as stated in project information | Same location as stated in project information |
| 4 | Procuring entity | Federal Ministry of Education | Wolkite University | Wolkite University |
| 5 | Source for further information | Ato Tariku Desu (Wolkite University; construction project office)T: +251 911 74 91 35E; tarikudessu@gmail.com |
| 6 | Date of procurement notice  | No information | No information | N/A |
| 7 | Floating period of the procurement notice | No information | No information | N/A |
| 8 | Media used for procurement notice | No information | No information | N/A |
| 9 | Method of procurement | Open bid | Open bid | Direct procurement based on shortlisting of available contractors |
| 10 | Type of procurement  | No information | No information | N/A |
| 11 | Procurement procedure | No information | No information | N/A |
| 12 | Evaluation criteria | No information | No information | N/A |
| 13 | Type of contract & project delivery method | Contract – Lump sum Delivery Method – Design Bid Build (DBB) | Contract – Time Based Delivery Method – Design Bid Build (DBB) | Contract – Unit price Delivery Method – Design Bid Build (DBB) |
| 14 | Type & amount of bid security | No information | No information | N/A |
| 15 | Content of any complaint lodged  | No information | No information | N/A |
| 16 | Engineer’s estimate | N/A | N/A | N/A |
| 17 | Date of bid opening  | No information | No information | N/A |
| 18 | Number of bidders: participated, rejected and declined to submit | No information | No information | N/A |
| 19 | Awarded firm/ contracting firm | Gereta consult PLC | Gereta consult PLC | Tamrat Temesgen BC |
| 20 | Date of contract award | No information | No information | 31/10/2013 |
| 21 | Award price/original contract price | No information  | Birr 3,683,220.00 | Birr 30,439,652.98 Birr with 15% VAT and 10% contingency |
| 22 | Unit contract price (price/km, price/sq. Meter) | N/A | N/A | N/A |
| 23 | Contract security type and amount | No information | Professional Indemnity Insurance | 10% Performance Bond |
| 24 | Date of contract signing | No information | No information | March 26, 2015 |
| 25 | Contract scope | Rendering engineering design service for the project | Rendering supervision and contract administration for the project | Construction of two laboratories, two stores, and one workshop project |
| 26 | Description of contract & contract components | Consultancy service of engineering detailed design for construction of two laboratories, two stores, and one workshop project | Consultancy service of supervision and contract administration for construction of two laboratories, two stores, and one workshop project | Construction of two laboratories, two stores, and one workshop project |
| 27 | Contract administration entity | Federal Ministry of Education | Wolkite University | Gereta consult PLC |
| 27 | Contract duration | No information | 5 years | 300 calendar days |
| 29 | Contract start date  | No information | September 25, 2009 | April 10, 2015 |
| 30 | Intended completion date | No information | September 24, 2014 | February 11, 2016 |
| Remark: |

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| 1. **CONTRACT IMPLEMNETATION INFORMATION**
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| 1. **CONTRACT IMPLEMENTATION INFORMATION [30 ITEMS]**
 | **No** | **ITEM OF DISCLOSURE** | **DESIGN** | **SUPERVISION** | **CONSTRUCTION** |
| 1 | Contract status (ongoing (% progress), terminated, completed) | Completed | Completed | Completed |
| 2 | Completion date (revised, projected, actual) | No information | September 24, 2016 | August 25, 2016 |
| 3 | Changes to contract duration with reason  | No information | Two years | None |
| 4 | Amount of liquidated damage if applied (penalty for delay) | None | None | Provision is 0.1% of the value of the undelivered service per day; but not applied. |
| 5 | Contract price (revised, projected, actual) | No information | Birr 3,683,220.00 | Birr 24,057,823.94  |
| 6 | Changes to contract price with reason | No information | Extension of service periodBirr 3,426,131.75 | Reduction of price due to omission of internal partition walls in stores (but, not formalized) |
| 7 | Scope at completion | No information | Same scope of service except extensions | Same scope as initial scope |
| 8 | Changes to contract scope with reason | No information | None | None except adjustments  |
| 9 | Total payment effected | No information | Birr 7,963,486.82 | * Advance payment – Birr 5,159,813.64 with 15% VAT
* Interim payments (#4) – Birr 11,452,789.40 with 15% VAT
* Final payment – Birr 4,345,870.38 with 15% VAT
 |
| 10 | Warranty type and description | No information | No information | Ten years from date of final acceptance  |
| 11 | Details of termination if applied | None | None | None |
| 12 | Safety measures (accident & death) | No information | No major accident disclosed | No major accident disclosed |
| 13 | Quality of work | No information | No major quality problem disclosed | No major quality problem disclosed |
| 14 | Disputed issues & award details | None | None | None |
| Remark: |

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| 1. **DISCLOSURE OF INFORMATION AT COMPLETION**
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| 1. **PROJECT INFORMATION AT COMPLETION [8 ITEMS]**
 | **No** | **ITEM OF DISCLOSURE** | **PROJECT IN GENERAL** |
| 1 | Date of disclosure | 30 October 208 |
| 2 | Project owner | Wolkite University |
| 3 | Project name | Construction of two laboratories, two stores, and one workshop |
| 4 | Sector, subsector  | Building infrastructure sector |
| 5 | Source for further information | Ato Tariku Dessu (Wolkite University; construction project office)T: +251 911 74 91 35E: tarikudessu@gmail.com |
| 6 | Project Location | SNNP regional state, Wolkite University |
| 7 | Purpose | Construction of laboratories, store, and workshop |
| 8 | Project description | Construction of two laboratories, two stores, and one workshop |
| Remark: |