



Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)

Assurance Report on Disclosed Project and Contract Information of Dansha – Abderafik – Maikadra Road Project

May 2016

Addis Ababa, Ethiopia

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DANSHA-ABDERAFIK-MAIKADRA ROAD PROJECT	

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ACRONYMS/ ABBREVIATIONS

AC	- Asphalt Concrete
CAC	- Contract Award Committee
CoST	- Construction Sector Transparency Initiative
EIA	- Environmental Impact Assessment
ERA	- Ethiopian Roads Authority
ETB	- Ethiopian Birr
FDRE	- Federal Democratic Republic of Ethiopia
Km	- Kilometres
NMSGEC	- National Multi-Stakeholder Group Executive Committee
NRS	- National Regional State
PE	- Procuring Entity
PLC	- Private Limited Company
RAP	- Resettlement Action Plan
RFP	- Request for Proposal
RSDP	- Road Sector Development Program
TAC	- Tender Analysis Committee
VAT	- Value Added Tax

EXECUTIVE SUMMARY

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

To this regard and in accordance to the Memorandum of Understanding reached between CoST-Ethiopia and Ethiopian Roads Authority (ERA), the latter has made disclosure of information on project identification, and the following two (2) services and one (1) work contracts forming parts of the implementation of an ongoing Dansha-Abderafik-Maikadra Road project in January 2015.

- SERVICE CONTRACT 1: Consultancy services for feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation,
 - SERVICE CONTRACT 2: Consultancy services of the construction supervision for Dansha-Abderafik-Maikadra Road project, and
 - WORK CONTRACT: Construction Works of Dansha-Abderafik-Maikadra Road project.
- ❖ The project road (length 104.6km) traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi.

Apart from some part of the project area which is served by gravel paved road, means of accessibility in the great portion of the project area was possible through following tracks and trails used by farm machineries and foot path of the community thus making accessibility formidable for vehicular transport all year round. There are several large scale commercial farm developments underway in the area, including irrigated agriculture developments planned. The farmer communities of the area are forced to travel long distance to access their relative at the other ends; and also for accessing the relatively developed neighbouring areas, where markets and social service facilities are available.

Having justified the implementation of the Dansha-Abderafik-Maikadra Road project from economic, social, environmental and technical perspectives, the government of FDRE represented by Ethiopian Roads Authority has allocated sufficient budget to finance payments for the service and work contracts forming parts of the implementation of the project of which length is 104.6km.

- ❖ On the basis of National Competitive Bidding Procedure, the Procuring Entity had procured Service Contracts I and II using “Request for Proposal” and Quality and Cost Based Selection (QCBS) as a method of procurement and Evaluation Criteria, respectively. The invitation to expression of interest (EOI) was published twice in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. Six (6) firms were invited to both bids and the number of firms who had submitted their proposals in

sealed envelopes on or before the deadline for the submission of proposals for Service Contract I and II were five and three, respectively.

The Procurement of Work Contract on the other hand, had used International Competitive Bidding (ICB) Procedures and the evaluation of bids was conducted by a two stage procedure involving post qualification application and financial bids evaluation. The invitation to bid was posted in ERA's website and published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible. Only five (2 local and 3 Chinese) firms, out of a total of Thirteen (13) construction firms (6 local and 7 foreign construction firms) who had bought the tender documents, submitted their post qualification applications and financial proposals in sealed envelopes on or before the deadline for the submission of proposals.

- ❖ The Original Contract Price of the agreement concluded between ERA and Core Consulting Engineers PLC for the lump sum Service Contract I was ETB 3,369,787.50 inclusive of 15% VAT and local taxes constituting two components: Phase 1 (Feasibility and EIA Studies and Preliminary Engineering Design): ETB 986,125.00 inclusive of 15% VAT, and Phase 2 (Detailed Engineering Design, RAP and Tender Document Preparation): ETB 2,383,662.50 inclusive of 15% VAT and a Provisional Sum of ETB 400,000.00. The contract periods for phase I and Phase II of the consultancy service were 4 and 8 months, respectively while the original completion dates were February 15,2012 and October 15,2012, respectively.

The Original Contract Price of the agreement concluded between ERA and Highway Engineers and Consultants (HEC) PLC for the time-based Service Contract II was ETB 14,086,962.95 inclusive of 15% VAT and local taxes while the contract period and the intended completion date of the consulting service were 36 months and December 18, 2016, respectively.

The Original Contract Price of the agreement concluded between ERA and SUR Construction PLC for the work amounts to ETB 1,607,687,055.78 including Total bill items 1,268,262,494.69, 10% contingency-ETB 126,826,249.47), Provisional Sum -ETB 2,900,000.00 and 15% VAT of ETB 209,698,311.62. Out of the total bill amount (ETB 1,268,262,494.69), ETB 2,690,000.00 (0.21%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, and Traffic Management. It is noted that though item 16 (Environmental Protection and Mitigation Measures) is not included in the contract as a pay item, the contract specifies that the contractor is responsible at his own cost to address social, environmental, safety and health issues.

The period of construction is 1096 Calendar days including 90 days of mobilization period while the intended completion date is on December 25, 2016.

- ❖ With regard to Project Identification, completion of Service Contract I, implementation of Service Contract II and Work Contract that forms parts of the implementation of the project, the analysis of the disclosed documents have revealed the following facts:-
 - ERA's disclosure provides clear information, among others, on the project location with control points; funding sources; intended beneficiaries and influence area of the project; appraisal of the project from economic, social, financial, environmental and technical perspectives; and Project scope. Thus, it is noted that the coverage and

quality of disclosed information adequately reveals the project identification of Dansha-Abderafik-Maikadra Road project.

- The methods and procedures of procurement that the Procuring Entity adopted in the procurement of services and work contract are in compliance with the Procurement Directive and regulations. However, the total time input for the procurement of Service Contract I, Service Contract II and Work Contract is 380, 242, and 312 days, respectively thus implying the causes of concern on the procuring entity's compliance with the principles that supports the country's economic development by ensuring efficiency in the execution of public procurement.
- In connection to cost performance, it is observed that:
 - No apparent and significant changes were made with regard to the original contract price of the Service Contract I.
 - With the intent of providing the supervision service in accordance to the contract requirement and to create relatively a balanced supervision crews in Lot I and II which corresponds to the contractor's mobilized crews, additional consultant's crew is deployed which as a result increased the initial contract price by 5.4%.
 - In a nutshell, it is observed that the documents that the Procuring Entity disclosed adequately justify the changes in contract price.
- In connection to time performance, it is observed that:
 - There are apparent and significant changes in delivery time of Service Contract I which are not adequately justified in the disclosed documents.
 - As of December 25th of 2014, 33.49% of the contract period (367 Calendar days) has been elapsed. In terms of the financial progress, the cumulative planned and actual values of works (including Engineer's facility) to be completed by December 2014 were ETB 395,858,557.48 (31.21% complete) and ETB 583,470,889.79 (46.01% complete), respectively, showing "ahead schedule" condition with a schedule variance of 187,612,332.31 and 14.79 in birr and % completion, respectively.
In terms of the physical progress, the cumulative planned and actual values of works to be completed by December 2014 were 28.16km (27.08% of the contract length) and 41.51km (39.91% of the contract length), respectively, showing "ahead schedule" condition with a schedule variance of 13.35 and 12.83 in km and % completion, respectively.
- The disclosed documents reveal that two changes resulting in amendment of contract were made as of December 2014, Provision of additional Engineer's vehicle and construction of additional 14.1km of road from Abderafi town to Abrehajira (Tele Tower). It is to be noted that the documents that ERA has made available adequately justified the changes in scope that occurred in the implementation of the work contract.

- ❖ Heeding the above stated results of Quality Assurance Process undertaken on the information that Ethiopian Roads Authority has disclosed on Dansha-Abderafik-Maikadra Road project, the following recommendations are put forward on the key findings and issues deserving further review:
 - The Procuring Entity shall disclose all documentations pertinent to the EOI application (number expressing interest) and evaluation procedures.
 - The time input that the PE utilizes in the procurement of service and work contracts shall be reasonably short enough to ensure the required efficiency in the execution of public procurement.
 - During the detailed evaluation stage of the financial bids offered for work contract, procuring entities shall strive to avoid unbalanced bid offers and ensure economy in the execution of public procurement.
 - The threshold values of service and work contracts set in the procurement directive above which the procurement may be made by means of international competitive bidding seem to restrain the preferential treatment of local suppliers thus calling for the revision of the specified threshold values.
 - The owner or facility sponsor holds the key to influence the construction costs, quality and delivery time of a project because any decision made at the beginning stage of a project life cycle has far greater influence than those made at later stages. Therefore, the Procuring Entity should allocate time sufficient enough to obtain the expertise of professionals to provide adequate planning and feasibility studies as well as design works.
 - In light of multitude advantages of work subcontracting, procuring entities shall strictly enforce the subcontracting provisions stipulated in the contract while taking into account the minimum and maximum value of subcontractors, type of the works and minimum number of domestic subcontractors set out in the contract document.
 - Beyond mere budgeting of significant amount of money for STD and HIV/AIDS Alleviation Measures as a pay items in the contract, the Procuring Entity shall give utmost attention for proper execution of the same to fulfil their intended objectives. To this end, it is advisable to formulate plausible arrangements that would ensure the implementation of the STD and HIV/AIDS Alleviation Measures by the concerned entities.

1. BACKGROUND OF THE DISCLOSED PROJECT

The aim of Construction Sector Transparency Initiative (CoST) is to enhance transparency of Procuring Entities (PEs) and construction companies. It will do this by disclosing to the public ‘Material Project Information’ (MPI) at all stages of the construction project cycle, from the initial identification of the project to the final completion. To this regard and in accordance to the Memorandum of Understanding reached between CoST-Ethiopia and Ethiopian Roads Authority (ERA), the latter has disclosed information on the implementation process of an ongoing Dansha-Abderafik-Maikadra Road Project in January and February 2015.

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

In response to the draft assurance report on the Dansha-Abderafik-Maikadra Road project, Ethiopian Roads Authority through a letter dated December 17, 2015 has given its comments and clarifications with additional disclosures on procurement and contract implementation processes.

Having assessed and incorporated the ERA's valid comments on the draft report, this final report is thus prepared to describe the result of CoST assurance process involving the data collection and verification process as well as the coverage/extent and quality/accuracy of information disclosed by Ethiopian Roads Authority on the project.

2. SUMMARY OF DISCLOSED INFORMATION

2.1 Disclosed information by project Phase - Project Identification information

The project road traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi. Dansha town is located at a distance of 870km from Addis Ababa on the Gondar – Humera road and Maikadra town is located at a distance of 16km from the Gondar junction on the Humera – Lugdi road. The project traverses the following small villages, namely Aurora Mender (Mender 1 to 6), Embagalay, Hiwot and a number of other private mechanized cotton and sesame farm camps to reach the end point of the project and the total length of the project is found to be about 104.6Km.

Apart from some part of the project area which is served by gravel paved road, means of accessibility in the great portion of the project area was possible through following tracks and trails used by farm machineries and foot path of the community thus making accessibility formidable for vehicular transport all year round. There are several large scale commercial farm developments underway in the area, including irrigated agriculture developments planned. The

farmer communities of the area are forced to travel long distance to access their relative at the other ends; and also for accessing the relatively developed neighboring areas, where markets and social service facilities are available.

Cognizant of the existing road conditions, access problems and in effort to make informed decision on implementing the upgrading project through evaluating its potential impact, the government of the Federal Democratic Republic of Ethiopia (FDRE) represented by Ethiopian Roads Authority had allocated sufficient budget to finance payments for the Consultancy Services for Feasibility and EIA Studies, Detailed Engineering Design, Resettlement Action Plan (RAP) and Tender Document Preparation.

A final version of the feasibility study report produced by CORE Consulting Engineers PLC as part of its consultancy service contract (Consultancy services for Feasibility Study, Environmental Impact Assessment, Preparation of Resettlement Action Plan, Detailed Engineering Design and Tender Document Preparation for the Project) concluded with ERA thoroughly discusses the overall processes and findings of the study carried out to determine the economic vitality of the project. Traffic analysis has been considered as one of the major components of the feasibility study that is needed to evaluate the economic benefits and determine the design level of the road projects based on the existing and future traffic patterns and the return from the investment. The results of economic analysis indicate that the proposed road project is economically viable. The estimated Internal Rate of Return (IRR) and the Net Present Value obtained appraised the project to be implemented as paved road standard. Moreover, the sensitivity analysis conducted revealed that the proposed road project would be responsive to changes in costs, benefits as well as both costs and benefits.

Therefore, the implementation of the road project will have significant contribution to the local as well as regional socio-economic development and poverty alleviation endeavors. The proposed road transport service will facilitate the agricultural development in the area, improves the lifestyle of the farmers and pastoralists of the area and enhances the social services and economic development of the locals.

Having justified the construction of Dansha - Abderafi - Maikadra road from economic, social, environmental and technical perspectives, the government of FDRE represented by Ethiopian Roads Authority had allocated sufficient budget to finance payments for the service and work contracts forming parts of the implementation of the project of which important features are given in table 1 below.

Table 1: Project Description

Particulars	Description
Project Name	Dansha-Aberdafi-Maikadra Road Project
Region	Tigray and Amhara National Regional States
Starting point	At a distance of 10.5km from Dansha town
Ending point	At a distance of 18km from Maikadra town on the road to Lugdi
Length (km)	104.6+14.1 (additional)
Road Functional Classification	Collector Road

Terrain Classification	Flat (77.8%), Rolling (21.2%) and Mountainous (1%)
Climate Classification	Warm Climatic Zone or “Kola”
Elevation in m (Minimum and Maximum)	566, 820
Traffic Volume (Vehicles per day)	High volume
Source of fund	Government of the FDRE

2.2 Contracts included in the disclosure

The understated two (2) services and work contracts forming parts of the implementation of Dansha - Abderafi - Maikadra road project are included in the disclosure.

- (1) SERVICE CONTRACT 1: Consultancy services for feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation
- (2) SERVICE CONTRACT 2: Consultancy services of the construction supervision for Dansha-Abderafik-Maikadra Road Project
- (3) WORK CONTRACT : Construction of Dansha-Abderafik-Maikadra Road Project

2.3 Disclosed information by contract Phase for Service Contract I

2.3.1 Procurement information

2.3.1.1 Procurement Process

With the intent of short listing capable consulting firms for the service, the Ethiopian Roads Authority had invited consultants to extend their expression of interest (EOI) through the notice of invitation posted on the Ethiopian Herald newspaper on September 01, 2010 with a deadline for submission on 17th day of September 2010.

After approval of the short-listed firms on December 21, 2010 by the Director General of ERA, six (6) firms listed in table 2 below were invited through ERA’s letter (dated January 04, 2011 enclosing the RFP). The RFP had among others specified the following information and requirements:

- All bids must be accompanied a bid security of ETB 10,000.00,
- All bidders must submit their technical and financial proposals on or before February 22, 2011 at 2:30PM.

Table 2: List of firms invited to submit proposals

S/N	Name
1	Core Consulting Engineers PLC
2	YERER Engineering PLC
3	Metaferia Consulting Engineers PLC in JV with Spice Consulting Engineers PLC
4	Pan African Consultants in JV with YIDIDIYA Engineering
5	Ethio Infra Engineering PLC in JV with HITCON Engineering PLC
6	Classic Consulting Engineers PLC in JV with GELD Engineering PLC

The pre-proposal meeting for the service was held on January 21, 2011 at Engineering Procurement Office. All firms except Classic Consulting Engineers PLC in JV with GELD

Engineering PLC had submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals.

A two stage procedures consisting technical and financial evaluation was applied for selection of the winning consultant for the assignment. The evaluation of technical proposals was carried out by the Tender Analysis Committee (TAC) comprising three civil engineers drawn from Engineering Procurement Directorate. After carrying out rigorous evaluation of the bidders technical proposals, the TAC had identified that all the five (5) firms as technically responsive (companies who scored more than 70% on the technical evaluation) and unanimously recommended the opening of the their financial proposals.

On July 05, 2011, the Director General of ERA approved the result of the technical evaluation result after ascertaining the endorsement of the same by the Contract Award Committee (CAC).

Subsequent to the above-stated procurement process, ERA and Core Consulting Engineers PLC concluded a Consultancy Service Agreement on September 16, 2011.

With regard to securing the proper execution of all the Consultant's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Service Contract, the Consultant has provided a Professional Indemnity Insurance with a limit of indemnity amounting to the total contract price within the stipulated time frame.

2.3.1.2 Original Scope

The original scope of services to be rendered by the Consultant was to undertake the following activities grouped in two phases:

A. Phase I: Feasibility and EIA Studies and Preliminary Engineering Design

1. To carry out Feasibility studies,
2. To carry out Environmental and Social Impact Assessment including associated mitigation measures, and
3. To carry out Preliminary Engineering Design.

B. Phase II: Detailed Engineering Design, RAP and Tender Document Preparation

1. To carry out Detailed Engineering Design,
2. To prepare Resettlement Action Plan (RAP), and
3. To prepare complete sets of tender documents that will serve as a basis for tendering the project on procurement method based on International Competitive Bidding (ICB) or National Competitive Bidding (NCB) procedures as to be agreed with the client, using FIDIC Conditions of Contract.

2.3.1.3 Original Programme

The contract periods for phase I and Phase II of the consultancy service were 4 and 8 months, respectively. With a commencement date of the service on 16th of October 2011, the original completion dates were Feb 15, 2012 and October 15,2012, respectively.

2.3.1.4 Original Contract Price

The Original Contract Price for the service was ETB 3,369,787.50 inclusive of 15% VAT and local taxes constituting the following two components:

- Phase 1: ETB 986,125.00 inclusive of 15% VAT, and
- Phase 2: ETB 2,383,662.50 inclusive of 15% VAT and a Provisional Sum of ETB 400,000.00

2.3.2 Contract Completion Information

2.3.2.1 Scope at Completion of Consultancy Service

The consultancy service was completed without any scope changes.

2.3.2.2 Contract Duration at Completion

Phase I of the Consultancy Service was started after the client issued a Letter of Notification to commence the services to the consultant on 16th of October 2011. Subsequent to this, the consultant has undertaken various study works and submitted the draft and final versions of the deliverables outlined in table 3 below.

Table 3: List of deliverables and submission timeframe for Phase I of Consultancy Service

Title of Final Deliverable	Reporting Schedule	
	Original	Actual
Final Inception Report	January 2012	January 2012
Final Preliminary Topographic Surveying Report	February 2012	July 2012
Final Route Selection Report	January 2012	May 2012
Final Preliminary Engineering Design Report	February 2012	May 2012
Final Feasibility Study and EIA Report	February 2012	June 2012

During the 2nd phase of consultancy service, the consultant has undertaken various study works and submitted draft and final versions of the deliverables outlined in table 4.

Table 4: List of deliverables and submission timeframe for Phase II of Consultancy Service

Title of Final Deliverable	Reporting Schedule	
	Original	Actual
Inception report	January 2012	July 2012
Detailed Design Standard Report	April 2012	January 2013
Final Topographic Surveying Report	July 2012	September 2012
Soils and Materials Report	November 2012	January 2013
Hydrological/Hydraulics and Structures Report	October 2012	February, 2013
Detailed Engineering Design Report	December 2012	February 2013
Engineering Cost Estimate and Book of Computation	December 2012	January 2013
Tender Documents - Volume I - IV	December 2012	January 2013
Tender Documents - Volume V (Set of Drawings)	December 2012	January 2013
Final Consultancy Completion Report	December 2012	May 2013

Table 5: Summary of contract programme at completion

Description	Phase I	Phase II
Original Contract Programme	Feb 15,2012	December 2012
Contract Programme at Completion	June 2012	May 2013
Slippage (in months)	>3	>4

2.3.2.3 Contract Amount at Completion

No amendment and modifications was made to the original contract price.

2.4 Disclosed information by contract Phase for Service Contract II

2.4.1 Procurement information

2.4.1.1 Procurement Process

With the intent of short listing capable consulting firms for the service, the Ethiopian Roads Authority had invited consultants to extend their expression of interest (EOI) through the notice of invitation posted on the Ethiopian Herald newspaper on January 26 and 27, 2013.

After approval of the short-listed firms on March 27, 2013 by the Director General of ERA, six (6) firms listed in table 6 below were invited through ERA's letter (dated April 02, 2013 enclosing the RFP) to submit their technical and financial proposals on or before May 07, 2013. However, the deadline for proposal submission was extended to May 14, 2013 through addendum 1.

Table 6: List of firms invited to submit proposals

S/N	Name	Country of Firm
1	Beza Consulting Engineers PLC	Ethiopia
2	Engineer Zewdie Eskinder & Co. PLC in sub-consultancy with DNH Engineering PLC	Ethiopia/Ethiopia
3	Highway Engineers and Consultants (HEC) PLC	Ethiopia
4	National Engineers	Ethiopia
5	Omega Consulting Engineers PLC	Ethiopia
6	Road Design and Development Consultant PLC	Ethiopia

Though the pre-proposal meeting for the service was scheduled to be held on April 15, 2013, no firm has attended the session. moreover, it is noted that no queries were received from the bidders. Table 7 outline the three (3) firms which submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals, i.e. May 14, 2013 at 2:30PM.

Table 7: List of firms submitted proposals

S/N	Name	Country of Firm
1	Highway Engineers and Consultants (HEC) PLC	Ethiopia
2	Omega Consulting Engineers PLC	Ethiopia
3	Road Design and Development Consultant PLC	Ethiopia

A two stage procedures consisting technical and financial evaluation was applied for selection of the winning consultant for the assignment. The evaluation of technical proposals was carried out by the Tender Analysis Committee (TAC) comprising three engineers drawn from Engineering Procurement Directorate. After carrying out rigorous evaluation of the bidders technical proposals on the basis of the Evaluation Criteria set in the tender document , the TAC had identified that all the three (3) firms as technically responsive (companies who scored more than 70% on the technical evaluation) and unanimously recommended the opening of the their financial proposals.

On August 22, 2013, the Director General of ERA approved the result of the technical evaluation result after ascertaining the endorsement of the same by the Contract Award Committee (CAC).

following the approval of the technical evaluation, the financial proposals of all the three technically responsive consulting firms had been opened at ERA’s conference room on September 05, 2013 in the presence of ERA’s Contract Award Committee members and representatives of all the consulting firms. After checking the arithmetic and completeness of the financial proposals, the TAC had corrected the financial offers and determined the financial scores on the basis of the formula stated in the bidding data sheet.

Finally, the TAC determined the aggregate score of the consulting firms by adding the respective technical and financial scores factored by the weightings 0.8 and 0.2 respectively to adjust their contribution for the selection.

The TAC, after having considered the scores of the consulting firms, had recommended holding negotiation with Highway Engineers and Consultants (HEC) PLC who has got the highest total score with a total cost of ETB 14,086,962.95 inclusive of VAT and local taxes. Upon the recommendation of TAC, on September 19, 2013 the Contract Award Committee (CAC) of ERA has endorsed to award the contract for Highway Engineers and Consultants (HEC) PLC with ceiling amount of ETB 14,086,962.95 and finally approved by the Director General of ERA.

After the representatives of ERA and Highway Engineers and Consultants (HEC) PLC held a Contract Negotiation for the Consultancy Services for the Construction Supervision of Dansha-Abderafik-Maikadra Road project on October 09, 2013, the two parties concluded a time based contract agreement for the service “Consultancy Services for the Construction Supervision of Dansha-Abderafik-Maikadra Road project” on November 25, 2013.

With regard to securing the proper execution of all the Consultant’s obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Service the Contract, the Consultant has provided a Professional Indemnity Insurance signed on November 13, 2013 with a limit of indemnity amounting to the total contract price having a

period of insurance for three years effective from November 20'2013 to November 19'2016 (both dates inclusive).

2.4.1.2 Original Scope of Services

The consultant shall fulfill all the duties and responsibilities of the Engineer and the Engineer's representative, as detailed under the contract for construction of the works of Dansha-Abderafik-Maikadra Road project (104.6km) and supervise construction of the works on behalf of ERA throughout the entire construction period, including the maintenance period. The scope of services includes all the services necessary to achieve the following objectives:

- i) Review for completeness and adequacy of all survey and engineering design works performed by the design consultant and give approval and/or suggestions for improvement as per the terms of the contract between the parties;
- ii) To ensure that the road is constructed in accordance with the Technical Specifications, Engineering Drawings or any amendments thereto and meet the standard quality of the end product;
- iii) To optimize the use of available materials resources to minimize costs to the client, to maximize the quality of the works, to expedite construction and to optimize the use of natural resources and ensure environmentally as well as socially sustainable construction; and
- iv) To ensure that the road is constructed within the Contract Price and Time for Completion allowed under the Contract or any agreed amendments thereto.

2.4.1.3 Original Programme

The contract period and commencement date of the consulting service were 36 months and December 18, 2016, respectively.

2.4.1.4 Original Contract Price

The Original Contract Price for the service was ETB 14,086,962.95 inclusive of 15% VAT and local taxes.

2.4.2 Contract Implementation information

2.4.2.1 Changes in Scope of Services

The scope of consultancy services to be rendered under the contract is changed to include the design, supervision and contract administration services for the construction of additional 14.1km Abderafi- Abrehajira (Tele Tower) road in addition to original scope described in *section 2.4.1.2* above.

2.4.2.2 Changes in contract programme

The disclosed documents revealed that no significant changes in contract programme have occurred as of January 2015.

2.4.2.3 Changes in contract price

The consultant vide a letter (Ref. No. HEC/DAM/068/14 dated July 10, 2014) forwarded a proposal regarding the deployment of additional supervision staffs for the Employer's review and subsequent approval with the following justifications:

- The contractor has divided the project in to two lots with the arrangement of separate crews/resources for each. However, the two fronts are not directly accessible through the project route due to the difficulty to cross the unconstructed Angereb River bridges at Km60+060 and Km 73+640. As a result, the Supervision Consultant is forced to monitor the works from both sides by travelling more than 120km every day and as such it has become difficult to discharge the service timely.
- Furthermore, the Contractor's diversified activity created in each lot has created unbalanced assignment of supervision staff and unable to deliver the required service timely. The Contractor is currently executing activities like Structural Works and material production simultaneously in the two lots which requires inspection or supervision continuously. However, as the Structural inspector and Material inspector stipulated in the contract is one, it has become very difficult to render the service timely.
- As the Contractor commenced the drainage works, the working drawings are being forwarded from both lots frequently. Hence, in order not to affect the current contractor's enhanced progress of works, the working drawings should be reviewed, commented and approved by the Engineer at a rate as comparable with the delivery rate of the contractor. Hence, as the quantity surveyor and drafts person stipulated in the contract is one, it is required to deploy a minimal additional office staff of either Quantity Surveyor or a drafts person.

In order to provide the supervision service in accordance to the contract requirement, the consultant, have proposed to deploy additional one Structural Inspector, One Material Inspector and One Quantity Surveyor/Drafts Person for 12 months so as to create relatively a balanced supervision crews in each lot. The additional staff is required only for 12 months, as the contractor would finish the construction of Angereb bridges, thereby the road will be easily accessible directly from Dansha to Maikadra.

The additional supervision cost as a result of the additional staffs (Material Inspector, Drafts Person, Structural Inspector) is 770,040.00 which is about 5.4% of the original contract amount and the corresponding additional amount reflected on the works contract price due to one additional Engineer's Vehicle is 3,018,750.00 (2,300,000.00 for vehicle provision and 718,750.00 fuel, lubricant, maintenance and insurance for vehicle) inclusive of 15% VAT.

The employer having reviewed the consultant's proposal has communicated his no objection through a letter dated 04/08/2014 to proceed and advised the consultant to issue the necessary instruction to the contractor as early as possible.

As a result of the above justification, the Contract Price for the service is changed to be ETB 14,857,002.95 inclusive of 15% VAT and local taxes.

2.4.2.4 Payments

As of December 2014, 34.4% of the contract period has been elapsed and the client has remunerated a cumulative sum of ETB 4.6 million including advance (30.96% of the revised contract amount) to the consultant.

2.5 Disclosed information by contract Phase for Work Contract

2.5.1 Procurement information

2.5.1.1 Procurement Process

Specific Procurement Notice for Invitation to Bids for the work was published on the Ethiopian Herald on January 24, 2013 and it had among others specified the following information and requirements:

- A complete set of bidding document may be purchased by interested bidders on the submission of a written application and upon payment of a non-refundable fee of Birr 750.00 or USD 44 effective as of January 24, 2013,
- All bids must be accompanied a bid security of ETB 500,000.00,
- Bidding will be conducted through the International Competitive Bidding (ICB) Procedures, and
- The deadline for submission of bid on or before April 11, 2013 at 2:30P.M.

Pursuant to the notice of invitation, thirteen (13) applicants (table 8) had collected the tender documents before the deadline for submission of applications.

Table 8: List of Applicants who have collected the Bidding Documents

S/N	Applicant	Country of Registration
1	MAN General Contractor	Ethiopia
2	Enyi Construction PLC	Ethiopia
3	China First Highway Engineering Co. Ltd	China
4	ASER Construction PLC	Ethiopia
5	China Railway No.3 Engineering Group Co. Ltd	China
6	Ghulam Rasool & Company PLC	Pakistan
7	TCT Makine Ve Motor San. Tic. Ltd. Sti, TCT Group Construction Company	-
8	Hunan Huanda Road & Bridge Corporation	China
9	Atayol Construction	-
10	SUR Construction PLC	Ethiopia
11	YENCOMAD Construction PLC	Ethiopia
12	YOTEK Construction PLC	Ethiopia
13	Yuksel Insaat A.S (Yuksel Construction Inc.)	Turkey

After holding the pre-bidding meeting for the work on February 28, 2013, Addendum No. 1 (including Minutes of Pre-Bid Meeting), 2 and 3 were issued to all prospective bidders who purchased the bidding documents for their consideration in preparing bids on February 26'2013, March 14'2013 and April 04'2013, respectively.

Only five (5) of the thirteen (13) construction firms who bought the bid document had submitted their post qualification applications and financial proposals in sealed envelopes on or before the deadline (April 11, 2013 at 2:30P.M.) for the submission of proposals in the address indicated in the bidding document, i.e. Office of the Director General of ERA.

Table 9: List of bidders who submitted their Bids

S/N	Applicant	Country of Registration
1	China First Highway Engineering Co. Ltd	China
2	China Railway No.3 Engineering Group Co. Ltd	China
3	Hunan Huanda Road & Bridge Corporation	China
4	SUR Construction PLC	Ethiopia
5	YENCOMAD Construction PLC	Ethiopia

After checking the proper marking and sealing of all submitted parcels, the qualification applications of each of the bidders were opened on April 11, 2013, 2:30P.M. in ERA's Conference Room in the presence of ERA's representatives and all of the representatives of the bidders.

The evaluation of bids involved a two stage procedure; namely, post qualification application and financial bids evaluation. The TAC (comprising three Civil Engineers drawn from Engineering Procurement Directorate of ERA) had conducted evaluation of the qualification applications while checking two broader requirements:

- (a) Preliminary examination of applications: checking each application for completeness, that is, whether the application includes the required forms and attachments which reflect the legal and financial status of the applicant,
- (b) Performance of Bidders on ERA's ongoing projects

In line with the above post qualification requirements, all bidders except China Railway No.3 Engineering Group Co. Ltd (rejected on the basis of its performance on ERA's ongoing projects) were found responsive to the requirements of qualification responsiveness and TAC recommended their financial bids to be opened.

Upon the endorsement of the TAC's recommendation to open the financial bids of the four bidders by CAC on July 30, 2013 and following the approval of the post-qualification evaluation result by the Director General of ERA on the same date, the financial bids of the responsive firms were opened on August 20, 2013 in the presence of ERA's Contract Award Committee members and representatives of all the post-qualified bidders.

After checking the proper marking, sealing and documentation of all submitted financial bids as per the requirement of the bidding document, the financial bids were opened for evaluation that involved preliminary examination and detailed evaluation.

The preliminary examination of submitted bids was carried out to examine their compliance with bidding document requirements: completeness of bid and substantial responsiveness. During the detailed evaluation stage, the submitted financial bids were examined under the following headings:

- (a) Financial Evaluation of Bids: involving correction for errors and provisional sums, consideration for modifications and discounts, and adjustment for evaluation currency, additions and priced deviation.
- (b) Comparison of Bid Price with Engineer's Estimate: involving Comparison of Bidders' offer with Engineer's Estimate, Comparison of the Lowest Bidder's Offer on Bill Group Basis with the Engineer's Estimate and Comparison of unit rates of major items of Lowest Bidder's Offer with the Engineer's Estimate
- (c) Comparison of unit rates of major items of Lowest Bidder's Offer with Other Recently Signed Projects

In view of the outcome of the financial assessment made for award, the TAC recommended SUR Construction PLC to be invited for the pre-contract discussion and eventual award for the Construction Works of Dansha-Abderafik-Maikadra Road Project as per the following details:

- Name: SUR Construction PLC
- Country: Ethiopia
- Original Bid Price: ETB 1,602,623,123.18 including contingencies, specified provisional sums and VAT
- Computational Errors: 5,063,932.61
- Discount (unconditional): none
- Currency proportions: ETB 100%, Foreign 0%
- Proposed for Award: ETB 1,607,687,055.79 including contingencies, specified provisional sums and 15% VAT

Upon the recommendation of TAC, on September 03, 2013 the Contract Award Committee (CAC) of ERA has endorsed to award the contract for the lowest evaluated bidder, SUR Construction PLC, with a total contract amount of ETB 1,607,687,055.79 including 10% contingency, provisional sums and 15% VAT and finally approved by the Director General of ERA on the next date.

After the representatives of ERA and SUR Construction PLC held a Pre-Contract Award Discussion for the Construction Works of Dansha-Abderafik-Maikadra Road Project on November 12, 2013, ERA officially informed the contractor that its bid was accepted through a letter dated on November 18, 2013.

Following the Employer's acceptance of the Contractor's offer, a contract agreement for the work "Construction Works of Dansha-Abderafik-Maikadra Road Project" was concluded on November 26th, 2013 between ERA and SUR Construction PLC.

With regard to securing the proper execution of all the Contractor's obligations during the period from the date of signing of the contract to the date of issue of certificate of completion of the Works, the Contractor has provided a performance security amounting to ten (10%) of the total contract price within the stipulated time frame.

Table 10: Details of Insurance Coverage

S/n	Description	Contractual requirement	Status
1	Guarantee		
1.1	Performance Security Bond	Sub-clause 10.1 (Conditional/Insurance)	Active
1.2	Advance Payment Guarantee	Sub-Clause 60.7 (Conditional/Insurance)	Active
2	Insurances		
2.1	Contractor's All Risks Policy (for permanent and temporary works, materials, Contractor's Plant and Machinery, and clearance of debris)	Sub-Clauses 21.1, 22.1, 23.1 & 24.2	Active

2.5.1.2 Original Scope

The project involves constructing 104.6km of new road with DS3 Asphalt Concrete (with a pavement structure of 50mm Asphalt Concrete on top of 200mm thick base course and 275mm Sub-base layers) standard. The road shall have a cross section of 10m (7m AC carriageway and 1.5m gravel and DST shoulder on each side in rural and Kebele's respectively). For town sections, the road shall have 31m road width (i.e. 7m carriage way width, 3.5m parking lane and 3.5m walkway on both side of the road and 3m median) The work also includes the construction of minor and major structural works among which the construction of seven box girder bridges; two of which are with 93m and 219m spans to be constructed on Angerb river bridge at km 60+060 and km 73+640, respectively.

2.5.1.3 Original Programme

The period of construction is 1096 Calendar days including 90 days of mobilization period while the intended completion date is on December 25,2016.

2.5.1.4 Original Contract Price

The Original Contract Price for the work amounts to ETB 1,607,687,055.78 consisting a total of Series pay items 1,268,262,494.69, 10% contingency (ETB 126,826,249.47), Provisional Sum of ETB 2,900,000.00 and 15% VAT of ETB 209,698,311.62 which appears to be slightly below (5.19%) the engineer's estimate (ETB 1,691,076,957.30).

Out of the total bill amount (ETB 1,268,262,494.69), ETB 2,690,000.00 (0.21%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, and Traffic Management. It is noted that though item 16 (Environmental Protection and Mitigation Measures) is not included in the contract as a pay item, the contract specifies that the contractor is responsible at his own cost to address social, environmental, safety and health issues.

Table 11: Pay items for STD and HIV/AIDS Alleviation, and Traffic Management

Item	Description	Amount
12.01	STD and HIV/AIDS Alleviation Measures	1,650,000.00
15.01	Accommodating traffic, constructing and maintaining temporary diversions	1,040,000.00
TOTAL		2,690,000.00

2.5.2 Contract Implementation information

2.5.2.1 Work Progress

As of December 25th of 2014, 33.49% of the contract period (367 Calendar days) has been elapsed. In terms of the financial progress, the cumulative planned and actual values of works (including Engineer's facility) to be completed by December 2014 were ETB 395,858,557.48 (31.21% complete) and ETB 583,470,889.79 (46.01% complete), respectively, showing "ahead schedule" condition with a schedule variance of 187,612,332.31 and 14.79 in birr and % completion, respectively.

In terms of the physical progress, the cumulative planned and actual values of works to be completed by December 2014 were 28.16km (27.08% of the contract length) and 41.51km (39.91% of the contract length), respectively, showing "ahead schedule" condition with a schedule variance of 13.35 and 12.83 in km and % completion, respectively.

2.5.2.2 Payment

As of December 2014, 38.4% of the contract price amounting ETB 617,605,297.32 (including Advance & VAT) was paid to the contractor for the executed works and supplied materials. Moreover, ETB 30,641,408.97 was paid to the contractor as an adjustment for price escalation of major construction inputs (fuel, steel, cement and equipment).

2.5.2.3 Claims

Up to the end of December 2014, the contractor has filed no claims.

2.5.2.4 Changes

The disclosed documents reveal that the following changes resulting in amendment of contract were made as of December 2014.

a) Provision of additional Engineer's vehicle

For the reasons discussed in section 2.4.2.3 above, the contractor has provided one additional vehicle to the consultant which resulted in an increment in works contract price amounting 3,018,750.00.

b) Construction of additional 14.1km of road from Abderafi town to Abrehajira (Tele Tower)

The consultant vide a letter dated 20/06/2014 (Ref. no HEC/DAM/P/063/14) notified the employer that the construction work between Km 60+000 to Km 73+800 was suspended by the Western Armacheho Woreda Administration. Henceforth, the following correspondences and

measures were taken to identify the root causes and resolve the work suspension and related issues:

- On 07/10/2013 (27/01/06E.C.), Ethiopian Roads Authority (ERA) notified the case to the Government of Amhara National Regional State (ANRS) and requested the same to take the necessary measure.
- In response to ERA's notification, the Strategic Leadership Support Directorate of ANRS, on behalf of the regional government communicated the following on 14/07/2014 (07/11/2006) to ERA:
 - The Western Armacheho Woreda Administration has suspended all of the contractor's construction activities due to the public mobilization raised for a reason that the construction of the a new road that connects Abderafi town with Abrehajira (the Capital of West Armachillo Woreda), Ergoye and Soroka town to be built concurrently with the construction works of the Dansha-Abderafi-Maykadra road project.
 - The road plan that the regional government sent to ERA in 2006E.C. specified that the Dansha-Aberafi-Maikadra road should be constructed in such a way it connects Soroka, Ergoye and Ahrhajera to Abderafi
 - Moreover, cognizance of the delicacy of the matter and the development potential of the area, the regional government notified ERA that a team drawn from ERA, Prime Minster Office, Regional government and Northern Gonder Zone Administration should hold discussion with the public and address their interest.
- Following the above happenings, a number of discussions have been made between ERA and the relevant administrative bodies of the Amhara Regional National State in view of addressing the request of the Woreda Administration and to ensure a smooth working environment to the Contractor. The discussions have entertained and resulted the following outputs:
 - The road which was demanded by the Woreda Administration (Soroka - Ergoye - Ahrhajera - Abderafi) will follow a different alignment and the Woreda Administration insisted that, the construction of this new alignment at this time with Dansha - Abderafi - Maykadra road project will fulfil the interest of the public who are living in towns of Abderafi, Abrehajira, Ergoye and Soroka. It is also indicated that, the construction of this new road will contribute for the socio-economic interaction between the adjacent towns and believed to have a pivotal role on the sustainable future development of the towns.
 - a consensus has been reached to construct the road from Abderafi to Tele tower (14.1 km) as part of the subject road project and the remaining road section will be constructed later under the subsequent road programs as it will be difficult to issue such a huge change order under the subject contract.
- Based on the Employer's verbal request and bipartite discussions, the Consultant has forwarded preliminary cost assessment based on visual site inspection and with the

current Contractor's Unit rate. However, the Employer has requested the consultant to revise and modify the proposal considering only the stretch from Abderafi to Tele-tower. Hence, the consultant vide a letter Ref. No. H EC/DAM/081/14 dated September 18, 2014 forwarded its preliminary assessment on the contractual implication of the issuance of a variation order to construct an additional 14.1 km road from Abderafi junction up to Tele Tower for employer's review and subsequent action the details of which include:

- The design standard and the typical details of the road is adopted from Dansha- Abderafi- Maykadra road project.
- the proposed varied work will require an additional cost of ETB 92,166,453,453.36 including 15% VAT.
- Regarding time implication, an estimate of 120 calendar days of additional time beyond the original completion date is required for the extra work.

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ence, in view of the foregoing consultant's proposal, the Employer vide a letter dated 25/09/2014 notified/advised the consultant that

- The proposal is accepted apart from his recommendation on the additional time implication,
- The recommendation on additional time implication shall be reassessed so as to justify which activity of the additional works is critical for completion, and
- To carry out the necessary detail design and issue a formal variation order to the Contractor as soon as possible.

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he consultant (vide letter HEC/DAM/P/0147/14 dated 01/10/2014) requested Western Armacheho Woreda Administration to provide the necessary support for the designing of Abderafi-Abrehajira section and the resumption of the suspended Dansha-Abderafi road construction.

2.5.2.5 Revised Project Cost Update

The Employer requested the consultant to submit the project Cost update on 02/02/2015 (AH1/303/23-2346), thus the consultant has compiled the executed works and estimated the remaining works based on its revised design data. Hence, the consultant (vide Ref. No. HEC/DAM/0022/15 dated letter 04/02/2015) has made some modifications and changes both to the original design and technical specification which in its opinion need to be changed from practical and economical point of view without affecting the quality and service of the road to be built.

Accordingly, the changes made have a collective saving of more than ETB 18,000,000.00. However, due to computational errors and missing of some bill items on a significant stretches of the road (removal and replacement of unsuitable material and cut to waste from 24+000 to 60+000) and inclusion of the Abderafi-Tele Tower (14.1km) increments on the Original Contract Price was observed.

However, summing up all the effects and excluding the contingency amount, the Revised Project Cost as of January 31, 2015 becomes ETB 1,592,374,838.54 including 15% VAT which is less than by ETB 15,312,217.24 from the original contract.

Table 12: Project cost update as of January 31st, 2015

DESCRIPTION OF WORK ITEMS	Original Contract Amount (ETB)	Revised Contract Amount (ETB)	Increased amount in		Executed to date	
			ETB	%	ETB	%
SERIES 1000 : GENERAL provisions less provisions sums	86,000,000.00	89,157,000.00	3,157,000.00	3.67%	43,436,555.54	50.51%
SERIES 2000 : SITE CLEARANCE	8,523,000.00	10,653,900.00	2,130,900.00	25.00%	10,398,510.00	122.01%
SERIES 3000 : DRAINAGE	120,221,005.50	122,008,639.97	1,787,634.47	1.49%	43,972,571.63	36.58%
SERIES 4000 : EARTH WORKS	490,146,625.00	528,518,727.95	38,372,102.95	7.83%	419,964,693.60	85.68%
SERIES 5000 : SUBASE, ROADBASE AND GRAVEL WEARING COURSE	174,755,210.00	198,328,269.00	23,573,059.00	13.49%	31,454,304.80	18.00%
SERIES 6000 : BITUMINOUS SURFACING	277,700,640.00	309,624,577.20	31,923,937.20	11.50%	11,199,240.00	4.03%
SERIES 8000 : STRUCTURES	79,856,758.85	91,336,903.19	11,480,144.34	14.38%	10,088,341.67	12.63%
SERIES 9000 : ANCILLARY WORKS	29,195,250.00	30,281,750.00	1,086,500.00	3.72%		
SERIES 11000 DAYWORKS	4,764,005.34	4,764,005.34	-	0.00%		
Sub-total 1[A]	1,271,162,494.69	1,384,673,772.65	113,511,277.96	8.93%	570,514,217.24	44.88%
Specified provisional sums included within the Series [B]	2,900,000	2,900,000			1,037,620.00	36%
Total of Series less specified provisional sum [C] (A - B)	1,268,262,494.69	1,381,773,772.65			569,476,597.24	
Contingency [D] (10% of C)	126,826,249.47					
Price Adjustment [E]					45,461,335.01	
Change in Legislation [F]						
Sub-total 2 [G] (A+D+E+F)	1,397,988,744.16	1,384,673,772.65			615,975,552.25	
VAT [H] (15% of G)	209,698,311.62	207,701,065.90			92,396,332.84	
Grand Total [I] (G+H)	1,607,687,055.79	1,592,374,838.55	(15,312,217.24)	-0.95%	708,371,885.09	

3. COMPLETENESS AND ACCURACY OF DISCLOSED INFORMATION

3.1 Completeness of Disclosed Information

3.1.1 Summary of disclosed information completeness on the overall project

Table 13: Summary of disclosed information completeness on the overall project

Sn	Disclosure Status	No. of Disclosed Items at			%age
		Project Identification	Contract Phase	Total	
1	No. of Disclosed Items	14	108	122	88.4%
2	No. of Items Not Disclosed	3	2	5	3.6%
3	No. of Items not applicable to this contract	0	10	10	7.2%
4	No. of Partially Disclosed Items	1	0	1	0.7%
	Total	18	120	138	100%

3.1.2 Completeness of Disclosed information by project Phase

3.1.2.1 Percentage of Actual Disclosure at Project Identification phase

With regard to Project Identification Phase, the Procuring Entity has disclosed 77.8% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia. Most of the project information that have not been disclosed are related to budgeting processing which includes Project budget approval date, Planned/Original duration for completing the whole project and Planned/Original cost of the project.

Table 14: Summary of Disclosure Status on Preliminary Project Information

Sn	Disclosure Status	No. of Items	%age
1	No. of Disclosed Items	14	77.8%
2	No. of Items Not Disclosed	3	16.7%
3	No. of Partially Disclosed Items	1	5.6%
	Total	18	100.0%

3.1.3 Summary of disclosed information completeness for contracts under the project

With regard to contracts under the project, the Procuring Entity has disclosed 90% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

Table 15: Summary of disclosed information completeness for contracts under the project

Sn	Disclosure Status	No. of Disclosed items by Contract				%age
		Contract I	Contract II	Work	Total	
1	No. of Disclosed Items	37	35	36	108	90.0%
2	No. of Items Not Disclosed	0	1	1	2	1.7%
3	No. of Items not applicable to this contract	3	4	3	10	8.3%
	Total	40	40	40	120	100.0%

3.1.3.1 Completeness of Disclosed information by contract Phase- Service Contract I

With regard to Procurement and Contract Completion phase of Service Contract I, the Procuring Entity has disclosed 93.1% and 90.9% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

Table 16: Summary of disclosed information completeness for contract 1

Sn	Disclosure Status	Procurement Stage		Contract Completion Stage		Total	
		No. of Items	%age	No. of Items	%age	No. of Items	%age
1	No. of Disclosed Items	27	93.1%	10	90.9%	37	92.5%
2	No. of Items Not Disclosed	0	0.0%	0	0.0%	0	0.0%
3	No. of Items not applicable to this contract	2	6.9%	1	9.1%	3	7.5%
	Total	29	100.0%	11	100.0%	40	100%

3.1.3.2 Completeness of Disclosed information by contract Phase- Service Contract II

With regard to Procurement and Contract Implementation phase of Service Contract II, the Procuring Entity has disclosed 89.7% and 87.5% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

Table 17: Summary of disclosed information completeness for contract 2

Sn	Disclosure Status	Procurement Stage		Contract Implementation Stage		Total	
		No. of Items	%age	No. of Items	%age	No. of Items	%age
1	No. of Disclosed Items	26	89.7%	9	81.8%	35	87.5%
2	No. of Items Not Disclosed	1	3.4%	0	0.0%	1	2.5%
3	No. of Items not applicable to this contract	2	6.9%	2	18.2%	4	10.0%
	Total	29	100.0%	11	100.0%	40	100%

3.1.3.3 Completeness of Disclosed information by contract Phase- Work Contract

With regard to Procurement and Contract Completion phases of Work Contract, the Procuring Entity has disclosed 96.6% and 72.7% of project information to be disclosed in accordance to Standard Requirement of CoST-Ethiopia.

Table 18: Summary of disclosed information completeness for work contract

Sn	Disclosure Status	Procurement Stage		Contract Implementation Stage		Total	
		No. of Items	%age	No. of Items	%age	No. of Items	%age
1	No. of Disclosed Items	28	96.6%	8	72.7%	36	90.0%
2	No. of Items Not Disclosed	1	3.4%	0	0.0%	1	2.5%
3	No. of Items not applicable to this contract	0	0.0%	3	27.3%	3	7.5%
	Total	29	100.0%	11	100%	40	100%

3.2 Accuracy of the disclosed information

The procuring entity (Ethiopian Roads Authority) has made accurate disclosure of project and contract information.

3.3 Summary of Findings

Except some missing information concerning project identification phase of the project cycle (such as Planned/Original duration for completing the whole project, Planned/Original cost of the project, etc), the coverage and quality of information collected from the documents that the Procuring Entity had made available adequately reveals the project identification, contracts' procurement and implementation of Dansha-Abderafik-Maikadra Road project.

4. PROJECT/CONTRACT SPECIFIC ISSUES

The result of analysis and interpretation work undertaken on the disclosed information in light of project identification, contracts' implementation and completion as well as the causes of concern that the analysis of the disclosed documents have revealed are described in the foregoing sections under separate headings.

4.1 Project Identification

ERA's disclosure satisfies the Standard Requirement of CoST-Ethiopia and provides clear information, among others, on the following:

- Project Location with control points,
- Funding Sources,

- Intended beneficiaries and influence area of the project,
- Appraisal of the project from economic, social, financial, environmental and technical perspectives with exhaustive alternative analysis including selection of routes and pavement type, and
- Project scope.

Having considered the documents that the Procuring Entity had made available in light of project identification phase of the project cycle, the coverage and quality of disclosed information adequately reveals the project identification of Dansha-Abderafik-Maikadra Road project.

4.2 Service Contract I

4.2.1 Analysis of the Procurement Stage and Findings

The Procuring Entity has procured the Consultancy Service for feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation using “Request for Proposal” and Quality and Cost Based Selection (QCBS) as a method of procurement and Evaluation Criteria, respectively.

The invitation to expression of interest (EOI) was published twice in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible.

Six (6) firms were invited to the bid and all but one had submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals.

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 19 and 20, respectively.

Table 19: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation for EOI	1-Sep-10
B	Deadline for submission of EOI	17-Sep-10
C	Approval of the short-listed firms by Director General of ERA	21-Dec-10
D	Letter of Invitation for Request for Proposal (RFP) sent to six (6) short-listed firms	4-Jan-11
E	Pre-proposal meeting for the service	21-Jan-11
F	Deadline for submission of technical and financial proposals/Bid opening date	22-Feb-11
G	Endorsement of the result of the technical evaluation result by the Director General of ERA	5-Jul-11
H	Opening of Financial Proposal	
I	Endorsement to award the contract by Contract Award Committee (CAC) of ERA	
J	Final approval to award the contract by Director General of ERA	
K	Signing of Consultancy Service Agreement	16-Sep-11

Table 20: Analysis of the Procurement Process

Description of Variables	Duration	
	Days	%
Floating period of EOI – [B-A]	17	
EOI Evaluation Period – [C-B]	95	
Preparation to invite shortlisted bidders for RFP [D-C]	14	
Bid Preparation Period – [F-D]	49	
Technical Evaluation Period – [G-F]	133	
Technical evaluation result disclosure time [H-G]		
Financial Evaluation, Contract Award Endorsement & Approval Process [J-H]		
Preparation for contract signing [K-J]		
Total Consultancy Service Procurement Period [K-D]	255	

Findings and Identified issues of concern regarding Procurement Stage

- The mode of procurement adopted for the service was National Competitive Bidding (NCB). The Contract Price for the consultancy service was ETB 3,369,787.50 (inclusive of 15% VAT and local taxes) which is above the threshold indicated in the Procurement Directive for NCB, i.e. 2,500,000.00 Birr for Consultancy service. Thus, the disclosed documents adequately reveal that the method of procurement adopted by the PE for the procurement of the service does not comply with the requirement set in sub-article 17.2 of the procurement regulation.
- Sufficient time (notice floating period) was given to bidders to prepare their EOI document.
- The result of technical evaluation was properly notified to all the participating firms
- Article 16.9.2 of the Procurement Directive stipulates that “*the floating period that a Public Body has to set the deadline for bid submission shouldn’t be less than the minimum date stated in Annex 3 of the directive*”. To this end, the minimum floating period for the consultancy service should be 30 days. Thus, the floating period ERA has set for the preparation of bid (49 days) was sufficient for bidders to prepare responsive bids, to gather information, to analyse the information, and to fulfil other pre-conditions to participate in the bid.

4.2.2 Analysis of Contract Completion Stage and Findings

4.2.2.1 Scope at Completion of Consultancy Service

In light of the disclosed documents it is observed that no apparent and significant changes were made with regard to the scope of the consultancy service.

4.2.2.2 Contract Amount at Completion of Consultancy Service

In light of the disclosed documents, it is observed that no amendment and modifications were made to the original contract price.

4.2.2.3 Contract Duration at Completion

As indicated in table 21 below, both phases of the consultancy service were carried out with significant deviations with a time overrun of more than 3 months over the original completion time. It is to be noted that the significant changes in delivery time of the Service Contract are not adequately justified in the disclosed documents.

Table 21: Consultancy Service Performance - Time

Description	Phase I	Phase II
Original Contract Programme	Feb 15,2012	December 2012
Contract Programme at Completion	June 2012	May 2013
Slippage (in months)	>3	>4

4.3 Service Contract II

4.3.1 Analysis of Procurement Process and Findings

The Procuring Entity has procured the Consultancy Service for Construction Supervision of Dansha-Abderafik-Maikadra Road project using “Request for Proposal” and Quality and Cost Based Selection (QCBS) as a method of procurement and Evaluation Criteria, respectively.

The invitation to expression of interest (EOI) was published twice in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible.

Six (6) local firms were invited to the bid and only three of them had submitted their proposals in sealed envelopes on or before the deadline for the submission of proposals.

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 22 and 23, respectively.

Table 22: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation for EOI	January 26 and 27, 2013
B	Deadline for submission of EOI	
C	Approval of the short-listed firms by Director General of ERA	27-Mar-13
D	Letter of Invitation for Request for Proposal (RFP) sent to six (6) short-listed firms	2-Apr-13
E	Schedule for Pre-proposal meeting (not held)	15-Apr-13
F	Original Deadline for submission of technical and financial proposals/Bid opening date	7-May-13
G	Revised Deadline for submission of technical and financial proposals/Bid opening date	14-May-13
H	Endorsement of the result of the technical evaluation result by the Director	22-Aug-13

	General of ERA	
I	Opening of Financial Proposal	5-Sep-13
J	Endorsement to award the contract by Contract Award Committee (CAC) of ERA	19-Sep-13
K	Final approval to award the contract by Director General of ERA	19-Sep-13
L	Contract Negotiation for the Consultancy Services	9-Oct-13
M	Signing of Consultancy Service Agreement	25-Nov-13

Table 23: Analysis of the Procurement Process

Description of Variables	Duration	
	Days	%
Floating period of EOI – [B-A]		0.0%
EOI Evaluation Period – [C-B]		0.0%
Preparation to invite shortlisted bidders for RFP [D-C]	6	2.5%
Bid Preparation Period – [G-D]	41	16.9%
Technical Evaluation Period – [H-G]	99	40.9%
Technical evaluation result disclosure time [I-H]	14	5.8%
Financial Evaluation, Contract Award Endorsement & Approval Process [K-I]	15	6.2%
Preparation for contract negotiation [L-K]	20	8.3%
Preparation for contract signing [M-L]	47	19.4%
Total Consultancy Service Procurement Period	242	100.0%

Findings and Identified issues of concern regarding Procurement Stage

- The mode of procurement adopted for the service was National Competitive Bidding (NCB). The Original Contract Price for the consultancy service was ETB 14,086,962.95 (inclusive of 15% VAT and local taxes) which is above the threshold indicated in the Procurement Directive for NCB, i.e. 2,500,000.00 Birr for Consultancy service. Thus, the disclosed documents adequately reveal that the method of procurement adopted by the PE for the procurement of the service does not comply with the requirement set in sub-article 17.2 of the procurement regulation.
- The result of technical evaluation was properly notified to all the participating firms
- Article 16.9.2 of the Procurement Directive stipulates that “*the floating period that a Public Body has to set the deadline for bid submission shouldn’t be less than the minimum date stated in Annex 3 of the directive*”. To this end, the minimum floating period for the consultancy service should be 30 days. Thus, the floating period ERA has set for the preparation of bid (41 days) was sufficient for bidders to prepare responsive bids, to gather information, to analyse the information, and to fulfil other pre-conditions to participate in the bid.

4.3.2 Analysis of Contract Implementation Stage and Findings

The original contract period and commencement date of the consulting service were 36 months and December 18, 2016, respectively while the Original Contract Price for the service was ETB 14,086,962.95 inclusive of 15% VAT and local taxes.

The disclosed documents have revealed and adequately justified the changes with regard to scope and contract price that occurred as of December 2014 in the implementation of the contract.

- **Changes in Scope of Services:** The original scope of consultancy services to be rendered under the contract is changed to include the design, supervision and contract administration services for the construction of additional 14.1km Abderafi- Abrehajira (Tele Tower) road.
- **Changes in Contract Price:** The deployment of additional consultant's staffs ((Material Inspector, Drafts Person, Structural Inspector) has resulted a 5.4% increment to the original contract price.

4.4 Work Contract

4.4.1 Analysis of Procurement Process and Findings

The Procuring Entity has procured the Construction Work for Dansha-Abderafik-Maikadra Road project using International Competitive Bidding (ICB) Procedures and the evaluation of bids was conducted by a two stage procedure involving post qualification application and financial bids evaluation.

The invitation to bid was published once in a newspaper that has nationwide circulation to ensure participation of as many bidders as possible.

A total of Thirteen (13) construction firms (6 local and 7 foreign construction firms) had bought the tender documents before the deadline for submission of applications and out of which only five (2 local and 3 Chinese) firms submitted their post qualification applications and financial proposals in sealed envelopes on or before the deadline for the submission of proposals.

The milestone events and the analysis of the procurement process in light of applicable variables are described in tables 24 and 25, respectively.

Table 24: Milestones regarding the procurement process

Code	Event	Date
A	Notice of Invitation to Bids for the Work	24-Jan-13
B	Pre-bidding meeting for the work	28-Feb-13
C	Deadline for submission of bid	11-Apr-13
D	Opening of bidders' qualification applications	11-Apr-13
E	Endorsement of the result of the post-qualification evaluation result by the CAC	30-Jul-13
F	Approval of the result of the post-qualification evaluation result by the Director General	30-Jul-13
G	Opening of Financial Proposal	20-Aug-13

H	Endorsement and Approval to award the contract by Contract Award Committee (CAC) and Director General of ERA	3-Sep-13
I	Pre-Contract Award Discussion for the Construction Works between the representatives of ERA and SUR Construction PLC	12-Nov-13
J	Letter of Acceptance	18-Nov-13
K	Signing of a contract agreement for the work	26-Nov-13

Table 25: Analysis of the Procurement Process

Description of Variables	Duration	
	Days	%
Bid Floating period [C-A] - 1	78	25.4%
Post-Qualification Evaluation Period [F-C] - 2	110	35.8%
post-qualification evaluation result disclosure time [G-F] - 3	21	6.8%
Financial Evaluation, Contract Award Endorsement & Approval Process [H-G] - 4	14	4.6%
Preparation for Contract negotiation [I-H] - 5	70	22.8%
Preparation for Letter of Acceptance [J-I] - 6	6	2.0%
Preparation for Contract Signing [K-J] - 7	8	2.6%
Total Work Procurement Period [1+2+3+4+5+6+7]	307	100.00%

Findings and Identified issues of concern regarding Procurement Stage

- The mode of procurement adopted for the work was International Competitive Bidding (ICB). The Contract Price for the Construction Work is ETB 1,607,687,055.79 including 10% contingency, provisional sums and 15% VAT, which is above the threshold indicated in the Procurement Directive for procurement of works using NCB, i.e. 50,000,000.00 Birr.. In nutshell, the disclosed documents adequately reveal that the method of procurement, procurement procedure and evaluation criteria used by the Procuring Entity comply with the requirements set in the procurement regulation.
- Sufficient time (bid floating period) was given to bidders to prepare their bidding documents.
- The periods for bid floating, Post-Qualification Evaluation, Financial Evaluation, Contract Award Endorsement & Approval Process accounts for 66.3% (207 days) of the total work procurement period, the remaining time (105 days/33.7%) is spent for disclosure of post-qualification evaluation result and preparatory works for Contract negotiation, issuance of letter of acceptance and contract signing.
- During the detailed financial evaluation stage, the PE examined the submitted financial bids among others under the following headings:
 - Comparison of Bid Price with Engineer’s Estimate: involving Comparison of Bidders’ offer with Engineer’s Estimate, Comparison of the Lowest Bidder’s Offer on Bill Group Basis with the Engineer’s Estimate and Comparison of unit rates of major items of Lowest Bidder’s Offer with the Engineer’s Estimate

- Comparison of unit rates of major items of Lowest Bidder’s Offer with Other Recently Signed Projects

To this respect, the PE’s effort to ensure economy in the execution of public procurement is highly commendable.

4.4.2 Analysis of Contract Implementation Stage and Findings

4.4.2.1 Contract Award

The Original Contract Price for the work amounts to ETB 1,607,687,055.78 consisting a total of Series pay items 1,268,262,494.69, 10% contingency (ETB 126,826,249.47), Provisional Sum of ETB 2,900,000.00 and 15% VAT of ETB 209,698,311.62 which appears to be slightly below (5.19%) the engineer’s estimate (ETB 1,691,076,957.30).

Out of the total bill amount (ETB 1,268,262,494.69), ETB 2,690,000.00 (0.21%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, and Traffic Management. Despite this, as of the end of December 2014, the contractor has not utilized at all the budgeted amount for STD and HIV/AIDS Alleviation Measures while 51.6% of the amount budgeted for accommodating traffic, constructing and maintaining temporary diversions has been used.

Table 26: Utilization of Pay items for STD and HIV/AIDS Alleviation, and Traffic Management

Item	Description	Amount	executed	
12.01	STD and HIV/AIDS Alleviation Measures	1,650,000.00	0	0.0%
15.01	Accommodating traffic, and constructing and maintaining temporary diversions	1,040,000.00	536,730.00	51.6%
TOTAL		2,690,000.00		

It is noted that though item 16 (Environmental Protection and Mitigation Measures) is not included in the contract as a pay item, the contract specifies that the contractor is responsible at his own cost to address social, environmental, safety and health issues.

4.4.2.2 Scope

The project involves constructing 104.6km of new road with DS3 Asphalt Concrete (with a pavement structure of 50mm Asphalt Concrete on top of 200mm thick base course and 275mm Sub-base layers) standard. The road shall have a cross section of 10m (7m AC carriageway and 1.5m gravel and DST shoulder on each side in rural and Kebele's respectively). For town sections, the road shall have 31m road width (i.e. 7m carriage way width, 3.5m parking lane and 3.5m walkway on both side of the road and 3m median) The work also includes the construction of minor and major structural works among which the construction of seven box girder bridges; two of which are with 93m and 219m spans to be constructed on Angerb river bridge at km 60+060 and km 73+640, respectively.

The disclosed documents reveal that the following changes resulting in amendment of contract were made as of December 2014.

- a) Provision of additional Engineer's vehicle
- b) Construction of additional 14.1km of road from Abderafi town to Abrehajira (Tele Tower)

It is to be noted that the documents that ERA has made available adequately justified the changes in scope that occurred in the implementation of the work contract.

4.4.2.3 Work Progress

As of December 25th of 2014, 33.49% of the contract period (367 Calendar days) has been elapsed. In terms of the financial progress, the cumulative planned and actual values of works (including Engineer's facility) to be completed by December 2014 were ETB 395,858,557.48 (31.21% complete) and ETB 583,470,889.79 (46.01% complete), respectively, showing "ahead schedule" condition with a schedule variance of 187,612,332.31 and 14.79 in birr and % completion, respectively.

In terms of the physical progress, the cumulative planned and actual values of works to be completed by December 2014 were 28.16km (27.08% of the contract length) and 41.51km (39.91% of the contract length), respectively, showing "ahead schedule" condition with a schedule variance of 13.35 and 12.83 in km and % completion, respectively.

4.4.2.4 Contract Price

As of December 2014, 38.4% of the original contract price amounting ETB 617,605,297.32 (including Advance & VAT) was paid to the contractor for the executed works and supplied materials. Moreover, ETB 30,641,408.97 was paid to the contractor as an adjustment for price escalation of major construction inputs (fuel, steel, cement and equipment).

(a) Changes

The disclosed documents reveal that the following changes resulting in amendment of contract were made as of December 2014. A summary of changes with their status of associated variations are outlined in table 27 below. It is observed that the documents that the Procuring Entity disclosed adequately justify the changes with their associated effect on cost.

Table 27: List of project changes - variation orders

Descriptions	Variation Order #	
	1	2
Subject of variation	Provision of additional Engineer's vehicle	Construction of additional 14.1km of road from Abderafi town to Abrehajira (Tele Tower)
Reason for variation	In order to provide the supervision service in accordance to the contract requirement and to create relatively a balanced supervision crews in Lot I and II which corresponds to the contractor's mobilized crews.	The Western Armacheho Woreda Administration has suspended all of the contractor's construction activities due to the public mobilization raised for a reason that the construction of the a new road that connects Abderafi town with Abrehajira (the Capital of West Armachillo Woreda), Ergoye and Soroka town to be built concurrently with the construction works of the Dansha-Abderfafi-Maykadra road project.
Work required to implement the variation	<ul style="list-style-type: none"> - Deployment of additional consultant's staffs (Material Inspector, Drafts Person, Structural Inspector) - provision of one additional Engineer's Vehicle 	Detailed design and construction of the road from Abderafi to Tele tower (14.1 km) as part of the Dansha- Abderafi- Maykadra road project and the design standard and the typical details of the road to be adopted from the same.
Status of variation (as of 31/12/14)	The Employer instructed the consultant to issue the necessary instruction to contractor on 04/08/2014.	<p>On 25/09/2014, the Employer advised the consultant</p> <ul style="list-style-type: none"> - To carry out the necessary detail design and issue a formal variation order to the Contractor as soon as possible. - To reassess his recommendation on additional time implication (120 calendar days) so as to justify which activities of the additional works are critical for completion
Effect on cost	An increment in works contract price amounting 3,018,750.00.	an additional cost of ETB 92,166,453,453.36 including 15% VAT
Effect on time	-	Under reassessment

(b) *Claims*

Up to the end of December 2014, the contractor has filed no claims.

5. RECOMMENDATION ON THE KEY FINDINGS AND FURTHER REVIEW

5.1 Recommendations related to Procurement Process

- ***Compliance with the principles of Procurement:*** Both the Procurement Proclamation and Directive stipulate that “*any Authority and execution of Procurement must comply among others with the principle that supports the country’s economic development by ensuring economy, efficiency and effectiveness in the execution of public procurement*”. In light of this,
 - The time input that the PE utilizes in the procurement of service and work contracts shall be reasonably short enough to ensure the required efficiency in the execution of public procurement.
 - During the detailed evaluation stage of the financial bids offered for work contract, the PE had compared the Lowest Bidder’s offer with the Engineer’s Estimate (as a whole, on Bill Group Basis, unit rates of major items) and unit rates of major items of Other Recently Signed Projects. To this respect, the PE’s effort to avoid unbalanced bid offers and ensure economy in the execution of public procurement is highly commendable.
- ***Procurement Regulation:*** Sub-Article 4(f) of the Procurement Directive emphasizes the need to encourage local producers, companies and small and microenterprises which support the national economy. Notwithstanding this, the threshold values of service and work contracts set in sub-article of 17.2 the same directive above which the procurement may be made by means of international competitive bidding seem to restrain the preferential treatment of local suppliers thus calling for increment of the stated threshold values.

5.2 Recommendations related to Planning, Design and Contract Administration

- The owner or facility sponsor holds the key to influence the construction costs, quality and delivery time of a project because any decision made at the beginning stage of a project life cycle has far greater influence than those made at later stages. Therefore, the Procuring Entity, while reasonably estimating the scope of the work, should allocate time sufficient enough to obtain the expertise of professionals to provide adequate planning and feasibility studies as well as design works.
- Subcontracting arrangements are highly instrumental in promoting and ensuring knowledge transfer, equity and specializations, among others. In light of these multitude advantages, procuring entities shall strictly enforce the subcontracting provisions stipulated in the contract while taking into account the minimum and maximum value of subcontractors, type of the works and minimum number of domestic subcontractors set out in the contract document.

- Beyond mere allocation of budget for STD and HIV/AIDS Alleviation Measures as a pay items in the contract, the Procuring Entity shall give utmost attention for proper execution of the same to fulfil their intended objectives.

ANNEX – PROJECT & CONTRACT INFORMATION DISCLOSURE

Annex 1: Disclosure of Preliminary Project Information

Date of disclosure	January 2015
Project owner	Ethiopian Roads Authority
Project name	Dansha-Abderafik-Maikadra Road project
Sector, subsector	Transport, Road
Source for further information	To be supplied by ERA
Project Location	The project road traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi.
Purpose	To facilitate the overall socio-economic development of the influence area and lead to the reduction of poverty and transport burden of the rural as well as urban households. Moreover, as the project area is considered to be one of the major agricultural development areas, its impact in improving the lifestyle of the farmers and pastoralists of the area and enhances the social services and economic development of the locals.
Project description	The government of the Federal Democratic Republic of Ethiopia (FDRE) has continued its commitment to give the road sector development the highest priority and it has been preparing more projects for funding by donors and from the national budget. Individual road projects are selected for inclusion in the Road Sector Development Program (RSDP), among others, on the basis of needs assessment as well as taking into account the level of traffic, road conditions, potentials and access problems. To this respect, the FDRE (represented by Ethiopian Roads Authority (ERA) has allocated sufficient budget for the new construction of Dansha-Abderafik-Maikadra Road. The project comprises one completed service contract and ongoing one service and one work contracts.
Original Project Scope	Includes services and construction work to construct 104km of new road with DS3 Asphalt Concrete (AC) standard. The road shall have a cross section of 10m (7m AC carriageway and 1.5m gravel shoulder on each side). The work also includes the construction of minor and major drainage structures.
Project components	<ul style="list-style-type: none"> i. SERVICE CONTRACT II: Consultancy services for feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation (4) SERVICE CONTRACT II: Consultancy services of the construction supervision for Dansha-Abderafik-Maikadra Road project (5) WORK CONTRACT: Construction Works of Dansha-Abderafik-Maikadra Road project
Environmental impact	The environmental mitigation measures for the project include: <ul style="list-style-type: none"> • Using existing quarries and materials instead of developing new ones

	<ul style="list-style-type: none"> • Replacement or re-plantation of trees and management of their growth • Reinstatement of Camp sites • Reinstatement of quarries, borrow pits, plant sites, storage sites, diversions, and access and haul roads • Watering of the road under construction, temporary diversions, and access and haul roads at settlement areas
land & settlement impact	
Estimated Budget of the project with breakdown of components	<ul style="list-style-type: none"> – Compensation Payment for affected assets and properties incl. administrative cost= ETB..... – : Estimated Environmental Mitigation Management, Monitoring and Training cost= ETB 3,444,000.00 – In-house project management: not disclosed – Service Contract I = ETB 3,369,787.50 – Service Contract II = ETB 14,086,962.95 – Work Contract = ETB 1,691,076,957.30 (Engineer's Estimate)
Funding sources	The Government of the Federal Democratic Republic of Ethiopia
Project budget approval date	Not Disclosed
Project start date <ul style="list-style-type: none"> – Planned – Actual 	<ul style="list-style-type: none"> – Not Disclosed – September 01, 2010 (date of Invitation to EOI for Service Contract I)
Planned/Original duration for completing the whole project	Not Disclosed
Planned/Original cost of the project	Partially Disclosed

Annex 2: Disclosure of Procurement Information for Service Contract I

DISCLOSURE OF PROCUREMENT INFORMATION	
Date of disclosure	January 2015
Contract title	Consultancy services for feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation
Location	The project road traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi.
Procuring entity	Ethiopian Roads Authority
Source for further information	To be supplied by ERA
Date of procurement notice	September 01, 2010 for Expression of Interest; January 04, 2011 for Request for Proposal
Floating period of the procurement notice	17 days for Expression of Interest, 50 days for Request for Proposal
Media used for procurement notice	News paper
Method of procurement	National Competitive Bidding (NCB)
Type of Procurement	Consultancy Service
Procurement procedure	Request for Proposals
Evaluation criteria	Quality and Cost Based Selection (QCBS)
Type of contract & project delivery method	Lump Sum
Type & Amount of bid security	Unconditional & 10,000.00
Content of any complaint lodged	-
Engineer's estimate	-
Date of bid opening	February 22, 2011
Number of bidders:	<ul style="list-style-type: none"> - Number of shortlisted firms: six (6) - Number of bid participants: Five (5)
Awarded / contracting firm	Core Consulting Engineers PLC
Date of contract award	
Award price/original contract price	ETB 3,369,787.50 inclusive of 15% VAT and local taxes (Phase 1: ETB 986,125.00 inclusive of 15% VAT, and Phase 2: ETB 2,383,662.50 inclusive of 15% VAT and a Provisional Sum of ETB 400,000.00)
Contract security type and amount	A Professional Indemnity Insurance with a limit of indemnity amounting to the total contract price
Date of contract signing	September 16, 2011
Contract scope	Feasibility and EIA studies, detailed engineering design, resettlement action plan (RAP) and tender document preparation
Description of contract & contract components	<ul style="list-style-type: none"> - Phase I: Feasibility and Environmental and Social Impact Assessment (EIA) Studies and Preliminary Engineering Design - Phase II: Detailed Engineering Design, Resettlement Action Plan (RAP) and Tender Document Preparation

Contract administration entity	Northern District Contract Management Directorate, ERA
Contract duration	– Phase I: 4 months – Phase II: 8 months
Contract start date	October 2011
Intended completion date	October 15,2012

Annex 3: Disclosure of Contract Completion – Service Contract I

Contract status (ongoing (% progress), terminated, completed)	Completed
Completion date (revised, projected, actual)	May 2013
Changes to contract duration with reasons	Not adequately disclosed
Amount of Liquidated Damage if applied (penalty for delay)	-
Contract Price (revised, projected, actual)	No changes
Changes to contract price with reasons	No changes to the original
Scope at completion	No changes to the original
Changes to contract scope with reasons	No changes
Total payment effected	ETB 3,369,787.50
Warranty type and description, if any	-
Details of termination, if applied	-

Annex 4: Disclosure of Procurement Information for Service Contract II

DISCLOSURE OF PROCUREMENT INFORMATION	
Date of disclosure	January 2015
Contract title	Consultancy services of the construction supervision for Dansha-Abderafik-Maikadra Road project
Location	The project road traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi.
Procuring entity	Ethiopian Roads Authority
Source for further information	To be supplied by ERA
Date of procurement notice	January 26 and 27, 2013 for Expression of Interest (EOI), April 02, 2013 for Request for Proposal (RFP)
Floating period of the procurement notice	15 days for EOI, 43 days for RFP
Media used for procurement notice	News paper and ERA's website
Method of procurement	National Competitive Bidding (NCB)
Type of Procurement	Consultancy Service
Procurement procedure	Request for Proposals
Evaluation criteria	Quality and Cost Based Selection (QCBS)
Type of contract & project delivery	Time-base contract

method	
Type & Amount of bid security	Submission of signed and sealed bid securing declaration form
Content of any complaint lodged	-
Engineer's estimate	-
Date of bid opening	May 14, 2013
Number of bidders: Participated, rejected and declined to submit	<ul style="list-style-type: none"> - Number of shortlisted firms: six (6) - Number of bid participants: three (3) - Number declined to submit bid: three (3)
Awarded firm/contracting firm	Highway Engineers and Consultants (HEC) PLC
Date of contract award	September 19, 2013
Award price/original contract price	ETB 14,086,962.95 inclusive of VAT and local taxes
Contract security type and amount	a Professional Indemnity Insurance with a limit of indemnity amounting to the total contract price
Date of contract signing	November 25, 2013
Contract scope	Supervise construction of the works on behalf of ERA throughout the entire construction period, including the maintenance period.
Description of contract & contract components	<ul style="list-style-type: none"> - Design review, construction supervision and contract administration services
Contract administration entity	Northern District Contract Management Directorate, ERA
Contract duration	36 months
Contract start date	December 18, 2013
Intended completion date	December 18, 2016

Annex 5: Disclosure of Contract Implementation – Service Contract II

Contract status (ongoing (% progress), terminated, completed)	Ongoing
Completion date (revised, projected, actual)	Actual (December 18, 2016)
Changes to contract duration with reasons	No changes as of December 2014
Amount of Liquidated Damage if applied (penalty for delay)	-
Contract Price (revised, projected, actual)	ETB 14,857,002.95 (Revised)
Changes to contract price with reasons	The deployment of additional consultant's staffs ((Material Inspector, Drafts Person, Structural Inspector) has resulted a 5.4% increment to the original contract price
Scope at completion	-
Changes to contract scope with reasons	The original scope of consultancy services to be rendered under the contract is changed to include the design, supervision and contract

	administration services for the construction of additional 14.1km Abderafi-Abrehajira (Tele Tower) road
Total payment effected	ETB 4.6 million including advance (30.96% of the revised contract amount)
Warranty type and description, if any	-
Details of termination, if applied	-

Annex 6: Disclosure of Procurement Information for Work Contract

DISCLOSURE OF PROCUREMENT INFORMATION	
Date of disclosure	January 2015
Contract title	Construction Works of Dansha-Abderafik-Maikadra Road project
Location	The project road traverses two woredas (Tsegede and Kafta Humera) of Tigray and Western Armachiho woreda of North Gondar zone in Amhara regional state. It starts at a distance of 10.5km from Dansha town on the road to Humera and traverses in westerly direction to Abderafi town and then terminates at a distance of 18km from Maikadra town on the road to Lugdi.
Procuring entity	Ethiopian Roads Authority
Source for further information	To be supplied by ERA
Date of procurement notice	January 24, 2013
Floating period of the procurement notice	78 days
Media used for procurement notice	News paper and ERA's website
Method of procurement	Open bidding with International Competitive Bidding Procedure
Type of Procurement	Works
Procurement procedure	ICB through Two Stage evaluation; post qualification evaluation and financial bid evaluation
Evaluation criteria	Lowest Evaluated Cost Basis (Qualification information first and Financial bids of qualified bidders next)
Type of contract & project delivery method	Admeasurements/unit price and Design-Bid-Build (DBB)
Type & Amount of bid security	Unconditional/conditional ETB 500,000.00 or an equivalent in freely convertible currency. Conditional Bid Security for local bidders.
Content of any complaint lodged	-
Engineer's estimate	ETB 1,691,076,957.30
Date of bid opening	April 11, 2013
Number of bidders: Participated, rejected and declined to submit	<ul style="list-style-type: none"> - Number bought tender document: thirteen (13) - Number submitted bids: five (5) - Number declined to submit: eight (8)
Awarded firm/	SUR Construction PLC

contracting firm	
Date of contract award	November 18, 2013
Award price/original contract price	ETB 1,607,687,055.78 (pay items 1,268,262,494.69, 10% contingency-ETB 126,826,249.47), Provisional Sum -ETB 2,900,000.00 and 15% VAT of ETB 209,698,311.62
Contract security type and amount	Unconditional performance security and ten (10%) of the total contract price
Date of contract signing	November 26, 2013
Contract scope	Includes services and construction work to construct 104km of new road with DS3 Asphalt Concrete (AC) standard. The road shall have a cross section of 10m (7m AC carriageway and 1.5m gravel shoulder on each side). The work also includes the construction of minor and major drainage structures.
Description of contract & contract components	<ul style="list-style-type: none"> As a contract requirement, at least 20% of the contract price and maximum of 40% of the contract price shall be the value of subcontracted work and at least two domestic subcontractors with category of GC5/RC5 to GC3/RC3 inclusive shall be employed under the contract. Out of the total bill amount (ETB 569,269,960.60), ETB 25,884,996.00 (4.55%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, Traffic Management, Environmental Protection and Mitigation Measures. Out of the total bill amount (ETB 1,268,262,494.69), ETB 2,690,000.00 (0.21%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, and Traffic Management. Terrain Classification of the road alignment: Flat (77.8%), Rolling (21.2%) and Mountainous (1%) Road Functional Classification: Collector Road
Contract administration entity	Northern District Contract Management Directorate, ERA
Contract duration	1096 Calendar days including 90 days of mobilization period
Contract start date	December 24, 2013
Intended completion date	December 25, 2016

Annex 7: Disclosure of Contract Implementation – Work Contract

Contract status (ongoing (% progress))	As of December 25 th of 2014, 33.49% of the contract period (367 Calendar days) has been elapsed. In terms of the financial progress, the cumulative planned and actual values of works (including Engineer's facility) to be completed by December 2014 were ETB 395,858,557.48 (31.21% complete) and ETB 583,470,889.79 (46.01% complete), respectively, showing "ahead schedule" condition with a schedule variance of 187,612,332.31 and 14.79 in birr and % completion, respectively.
Completion date (revised, projected, actual)	No change until the end of December 2014.
Changes to contract duration with reasons	-

Amount of Liquidated Damage if applied (penalty for delay)	-
Contract Price (revised, projected, actual)	Updated contract price
Changes to contract price with reasons	The inclusion of the Abderafi-Tele Tower (14.1km) road has resulted increments on the Original Contract Price amounting a total sum of ETB 92,166,453,453.36 including 15% VAT. Summing up all the effects (omissions and additions) and excluding the contingency amount, the Revised Project Cost as of January 31, 2015 becomes ETB 1,592,374,838.54 including 15% VAT.
Scope at completion	-
Changes to contract scope with reasons	The Western Armacheho Woreda Administration has suspended all of the contractor's construction activities due to the public mobilization raised for a reason that the construction of the a new road that connects Abderafi town with Abrehajira (the Capital of West Armachillo Woreda), Ergoye and Soroka town to be built concurrently with the construction works of the Dansha-Abderafi-Maykadra road project.
Total payment effected	As of December 2014, 38.4% of the contract price amounting ETB 617,605,297.32 (including Advance & VAT)
Warranty type and description, if any	-
Details of termination, if applied	-

Annex 8: Assessment of ERA's Comments on Draft Quality Assurance Report

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
Page	Description		Feedback/ action taken	Justification
Page Vii, 1 st paragraph	Despite this, the number of firms who expressed interest and the evaluation procedure of EOI were not disclosed for both service contracts.	<p>There is a separate assessment of EOI report which discusses about firms who expressed their interest for the project, the overall assessment procedure, highlight of firm's experience, firms summarized score and ranking and recommendation for shortlisting.</p> <p>Service Contract I: 16 firms have expressed their interest and out of which six firms have been shortlisted indicated on the invitation letter and RFP document.</p> <p>Service Contract II: 26 firms have expressed their interest and out of which six firms have been shortlisted indicated on the invitation letter and RFP document.</p>	<p>ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY</p>	<p>Assessment Reports of EOIs are disclosed with the PE's comments on the draft quality assurance report</p>
Page 30	<p>Expression of Interest (EOI): The Invitation to EOI and short-listing of consultants to submit proposals are important steps that forms parts of the procurement procedures in Request for Proposal type of procurement.</p> <p>Pursuant to Sub-Article 4(d) of the procurement directive stating “<i>Any criteria applied in making procurement decisions and decisions taken on each procurement must be made transparent to all concerned parties</i>”, and in an effort to assess the entire procedures followed in the procurement of service contracts, the PE shall disclose all documentations pertinent to the EOI application (number expressing interest) and evaluation procedures.</p>			
Page 22, Table 20	Total service procurement period=380 days	<p>ERA believes that the total duration of the procurement period shall not include the EOI floating and evaluation period; and/or the procurement period elapsed would be appropriate if considered starting from issuance of Notice of Invitation to the shortlisted firms.</p> <p>ERA, as a normal practice prepares a shortlist of several projects in packages or separately in advance, before the main procurement process is launched or budget is approved; while the budget approval processes and</p>	<p>ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY</p>	<p>Though the procurement period includes the EOI floating and evaluation period, ERA's response is justified in light of its shortlisting practice and the ultimate positive impact of the stated</p>

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
Page	Description		Feedback/ action taken	Justification
		necessary project data are known to a promising level. This is intended positively to save later time during the main procurement or contract implementation of the service projects. Therefore, the procurement period should be amended to be 255 days .		practice.
Page Vii, last paragraph, bullet No. 4	The threshold values of service and work contracts set in the procurement directive above which the procurement may be made by means of international competitive bidding seem to restrain the preferential treatment of local suppliers thus calling for the revision of the specified threshold values.	It would not be appropriate to compare the awarded prices with the threshold limits of the directive; it would be appropriate to use budgeted cost of the procurement plan or cost estimate, if applicable; to which case the budgeted plan could be less than the threshold specified.	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT	It is apparent that the threshold limits of the directive shall be compared with the budget estimate for the procurement. Nonetheless, the discrepancy between the award price and the threshold limits shows the PE's limitation in estimation and budgeting process. It is also to be noted that the approved procurement plan has not been disclosed so far. The comment on the draft report points at the mandated body to amend the directive.
Page 22	The mode of procurement adopted for the service was National Competitive Bidding (NCB). The Contract Price for the consultancy	Notwithstanding the above, as per articles 59 (1) and (2) of the Ethiopian Government Public Procurement and Property Administration Proclamation No. 649/2009, the	NOT ACCEPTED/	Though effective competition could be obtained without

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
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	service was ETB 3,369,787.50 (inclusive of 15% VAT and local taxes) which is above the threshold indicated in the Procurement Directive for NCB, i.e. 2,500,000.00 Birr for Consultancy service. Thus, the disclosed documents adequately reveal that the method of procurement adopted by the PE for the procurement of the service does not comply with the requirement set in sub-article 17.2 of the procurement regulation.	procurement could still be concluded on NCB basis even if the estimated cost of the contract is beyond the threshold limit specified on the directive, if the required object of procurement is available locally . The public body believes there are sufficient numbers of local suppliers capable of undertaking the object of procurement (i.e. the consultancy service assignments) and effective competition could be obtained without participation of foreign firms.	NO CHANGE MADE TO THE FINAL REPORT	participation of foreign firms, the procurement of the services does not comply with the conditions set in sub-articles 59.1 (for procurements above a threshold level for national bidding to be determined by a directive) and 59.2 (if it is ascertained that the required object of procurement is available only locally).
Page 24	The mode of procurement adopted for the service was National Competitive Bidding (NCB). The Original Contract Price for the consultancy service was ETB 14,086,962.95 (inclusive of 15% VAT and local taxes) which is above the threshold indicated in the Procurement Directive for NCB, i.e. 2,500,000.00 Birr for Consultancy service. Thus, the disclosed documents adequately reveal that the method of procurement adopted by the PE for the procurement of the service does not comply with the requirement set in sub-article 17.2 of the procurement regulation.			

59. Open International Bidding

- 1) Open international bidding shall be used whenever in national open bidding an effective competition cannot be obtained unless foreign firms are invited to bid or for procurements above a threshold level for national bidding to be determined by a directive to be issued by the Minister
- 2) A procurement may be effected by means of national competitive bidding notwithstanding that the cost of the procurement exceeds the threshold established in the directive for national bidding if it is ascertained that the required object of procurement is **available only locally**.

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
Page	Description		Feedback/ action taken	Justification
Annex 2 and 4	Disclosure of Procurement Information for Service Contract I & II	Normally, as a requirement of Design RFP, a design consultant should prepare a separate estimate of construction supervision service, but this will not have material use for the evaluation and comparison of firm's financial proposal since the selection method is QCBS, except for budget information. For the purpose of planning annual or total consultancy budget of time based contract, the employer usually estimates budget based on current price of recently signed similar assigned, i.e. average cost/year of signed contracts. Budget for projects under implementation by the PE are allocated annually based on the budget approved by the House of Peoples Representatives (HPR)	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT	The FDRE procurement directive prescribes that a Public Body, in determining its annual procurement needs, has to determine the cost estimate for each type of procurement by reference to survey it has conducted or price information obtained from other sources. Thus, the PE has to disclose its cost estimates for Service Contracts I and II.
Page VII, 2 nd paragraph	The invitation to bid was published once in a newspaper	The invitation to bid has also been posted in ERA's website (www.era.gov.et)	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY	Accepted though it is difficult to verify full compliance with sub-article 17.4 (b) of the directive.
Annex 6	Media used for procurement notice	Please add ERA's website in addition to Herald Newspaper		
17.4 b) The bid advertisement shall be published in a news paper that has wide circulation and accessible to foreign bidders, the bid advertisement shall be posted on the Agency's website if the value of the procurement is above the threshold stated in article 6(5) of this Directive. In order to attract a large number of bidders, the bid advertisement may also be posted on the website of the procuring Public Body and embassies of various countries may be notified of the bid.				
Annex 4	Media used for procurement notice	Please add ERA's website in addition to Herald Newspaper	ACCEPTED/ THE FINAL	

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
Page	Description		Feedback/ action taken	Justification
Annex 4	Type and amount of bid security:	Please delete the unconditional and 10,000.00 and replace with "submission of signed and sealed bid securing declaration form"	REPORT IS REVISED ACCORDINGLY	
Page 11	The applications of each of the bidders were opened on September 25, 2012	Please amend the date to be April 11, 2013		Typological error
Page 26	Table 25: Total work procurement period=312 days	It is more logical to subtract the contract signing date from Notice of invitation to bid. Therefore, the days for work procurement becomes 306		Minor arithmetic error in computing duration for Post-Qualification Evaluation, and Financial Evaluation, Contract Award Endorsement & Approval Process
Annex 6	Method of procurement	Please make it "open bidding with ICB Procedure		Method and procedure of Procurement are separately tabulated in the template
Annex 6	Procurement procedure	Please amend as ICB through Two Stage evaluation; post qualification evaluation and financial bid evaluation		
Annex 6	Type and amount of bid security	Please amend as Unconditional/conditional ETB 500,000.00 or an equivalent in freely convertible currency. Conditional Bid Security (Bid Bond) is allowed for local bidders.	ACCEPTED/ THE FINAL REPORT IS REVISED ACCORDINGLY	
Page X	Beyond mere budgeting of significant amount of money for STD and HIV/AIDS Alleviation Measures as a pay items in the contract, the Procuring Entity shall give utmost attention for proper execution of the same to fulfill their	We have accepted the AP's comment. In this respect, we would like to inform you that ERA has given serious attention towards the implementation of safety, environmental impact minimization and STD and HIV/AIDS Alleviation measures, in every road	It is commendable that ERA has given due attention to the matter.	

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
Page	Description		Feedback/ action taken	Justification
	intended objectives. To this end, it is advisable to formulate plausible arrangements that would ensure the implementation of the STD and HIV/AIDS Alleviation Measures by the concerned entities.	<p>construction projects as part of the modernization initiatives.</p> <p>And to monitor the implementation of safety, environmental impact minimization and STD and HIV/AIDS Alleviation measures, indicators' related with same have been included as part of performance appraisal system (PAS) for all contractors and consultants of each project and we are assessing their performance on quarterly basis and record the assessment result using Ethiopian Road Authority Management System (ERA-MS) for the overall performance evaluation process of each firm within the contract period.</p> <p>PAS assessment format is attached for your ease of reference.</p>		
Page 23: Sub-section 4.2.2.3	Both phases of the consultancy service were carried out with significant deviations with a time overrun of more than 3 months over the original completion time. It is to be noted that the significant changes in delivery time of the Service Contract are not adequately justified in the disclosed documents.	<p>One of the critical areas that requires due emphasis during the design stage is route selection as such satisfying the proper technical requirement and all the design parameters was a challenge.</p> <p>Besides, after the completion of the design, the consultant was advised to thoroughly check the quality of the design particularly the quantification, material classification, town section design and other critical design output which are the main cause for cost and time overrun during implementation of the project. As you have noted from the design report output, there is no major sort of difference during implementation.</p> <p>In addition, supplementary agreement No.1 has been made due to the fact that the additional design service for</p>	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT	The PE should have initially allocated time sufficient enough to obtain the expertise of professionals/consultants to provide adequate planning and feasibility studies as well as design works.

Contents of draft quality assurance report		ERA's Response	AP's assessment of ERA's response	
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		<p>ROW identification for the project was included into the original service contract. Due to this supplementary agreement, three (3) additional months have been included to render the said additional service.</p> <p>Copy of the above mentioned supplementary agreement is attached for your ease of reference.</p>		
Page 27: Sub-section 4.4.2.1	Out of the total bill amount (ETB 1,268,262,494.69), ETB 2,690,000.00 (0.21%) is budgeted as a pay item for STD and HIV/AIDS Alleviation Measures, and Traffic Management. Despite this, as of the end of December 2014, the contractor has not utilized at all the budgeted amount for STD and HIV/AIDS Alleviation Measures while 51.6% of the amount budgeted for accommodating traffic, constructing and maintaining temporary diversions has been used.	The nominated Sub-Contractor had been already approved and the service had already commenced. However, the said Subcontractor did not request payment for the service he rendered up to the assessment date, hence, payment for the same has not yet effected.	NOT ACCEPTED/ NO CHANGE MADE TO THE FINAL REPORT	The PE has not disclosed material ascertaining the nomination of sub-contractor.