



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

# **Assurance Report on Disclosed Project and Contract Information of Debark – Buahit – Dilyibza Design and Build Road Project, Lot II: Buahit – Dilyibza Road Project**

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## List of Acronyms / Abbreviations

AP	Assurance Professional
CAC	Contract Award Committee
CoST	Construction Sector Transparency Initiative
DB	Design and Build
DG	Director General (of ERA)
DNA	Document not Available
EIA	Environmental Impact Assessment
EOI	Expression of Interest
EOT	Extension of Time
ERA	Ethiopian Road Authority
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
ICB	International Competitive Bidding
IPC	Interim Payment Certificate
KM	Kilo Meter
LCBS	Least Cost Based System
MPI	Material Project Information
NA	Not Applicable
NCB	National Competitive Bidding
NMSG-EC	National Multi Stakeholder Group – Executive Committee
No	Number
PE	Procuring Entity
QCBS	Quality Cost Based System
RoW	Right of Way
RSDP	Road Sector Development Program
TAC	Technical Analysis Committee
VO	Variation Order

## 1. Executive Summary

This report is prepared by the AP in accordance with the Contract Agreement made with CoST – Ethiopia which, as part of its program, aims to address on increasing transparency and accountability in the construction sector. CoST is an international multi-stakeholder program and is based on the belief that *'increased transparency through disclosure of project information'* will lead to greater accountability of public officials and eventually to more efficient and effective construction of public infrastructure.

The report represents only for Lot II: Buahit – Dilyibza Road Project which is one part from the total project of Debarq – Buahit – Dilyibza Design and Build Road Project. The total Project of the Road alignment has been divided into two lots (Lot I and Lot II) and the PE is undertaking the Procurement and Contract implementations independently. Therefore only one Lot (Lot II project), as Agreed with CoST – Ethiopia, is considered in this report.

On the report, Disclosure & Assurance Process has been carried out in detail for the respective project in accordance with the available information collected from PE. It includes disclosure of Procurement, Contract & Project Information, examining Completeness and Accuracy of the disclosed information, conducting detail analysis and identifying causes of Concern for the Project under review. The analysis concentrates on the evaluation of PE's performance on Procurement and Contract implementations in all stages with respect to the requirements set out including applicable laws and provisions.

### 1.1 Brief Descriptions of Project & Contracts included on the Report

The project under review is located in Amhara National Regional State in North Gonder Zone particularly in Debarq, Janamora and Beyeda Woredas.

To realize the relevant project, the PE has entered into three Contracts, two for Supervision and one for Construction Works. The reason for the formation of additional Supervision Service Contract Agreement was due to the expiry of the contract duration of the first Supervision Contract. It has been seen that no Contract Agreement were formed for Design services due to the reasons concluded & made option by the PE to Contract the Construction Works based on Design and Construct.

Currently the Design & Construction Works are ongoing by SATCON Construction PLC and supervised by Transport Construction Design Share Company. Formerly, the Design & Construction Works were supervised by DANA and Associates plc Engineering Consultants in JV with IDCON infrastructure development Consultants plc.

### 1.2 Summary of Findings

The Disclosure and Assurance Process for the project under review is carried out for the information collected from PE during the preparation of the report. The disclosed lists of information are reviewed and analyzed to assure the PE's performance with respect to the requirements set out at each stage of Procurement & Contract Implementation. Going through the details however some important issues are observed key findings are outlined to the concerns for the PE to look forward.

## 1.2.1 Handling of Documents & Records

### 1.2.1.1 Difficulty to Access Relevant Documents

The PE's effort and cooperation on the provision documents is appreciated. Most of relevant document have been provided by the PE for the preparation of this report. Alongside with PE's effort however the Disclosure and Assurance Process for the following issues couldn't be analyzed and included in this report due to some inconvenience on acquiring the respective documents.

- ✚ The PE's performance on the implementation of Contracts under the Project in compliance with the intended Project Plan,
- ✚ The PE's performance on the assessment & evaluation procedures of EOI for originally cancelled Design and Supervision Services bid,
- ✚ The PE's performance on the implementation of Contracts for Supervision & Construction Works after the period of Dec., 2014.

It has been observed problems from PE's side on the proper maintenance and smooth access of documents and records of active projects. The maintenance of all information in relation to Project Plan history (Scope, Budget, intended start & Completion date, etc.) for long period of time might not be properly exercised by the PE nevertheless its importance. It may incorporate two or more Contracts under the project and shall be maintained properly starting from project appraisal until finalizing and close out of scope of the Project Plan. It is necessary as it is the basis for the PE to look for further improvement and design advance system by assessing performance limitations.

It is our concern to the PE on the management of bulky documents on maintaining and for smooth access as required and also in compliance with article 32 of the PPA Directive. It may not an easy task on maintaining the records and documents of projects for long period of time as the PE is performing huge number of projects within a year. However attention has to be given to conduct the necessary study on designing and implementing quality management system on maintaining and for smooth access to the required records and documents.

Alongside with the maintenance of documents it has been seen on delay of timely preparation of reports for construction works. As per the PE's explanation, the problem on the provision of latest Progress Reports for Construction Works was due to the expiry of the existing Consulting Firm Contract and replacement of new Consulting Firm in order to continue and takeover the supervision services. Such situations give rise to an effect on the preparation and provision of reports timely by the new Consulting Firm. It is the PE's attention to handle for the smooth continuation of the supervision service.

With respect to the issue on the problem of timely preparation of reports for construction works, the AP has described the points based on the verbal information collected from PE (District Office) during report preparation. However, in contrary to AP's comment, the PE's addresses the following point:

*The transition of the Supervision from the previous Consultant to the new Consultant was made in systematic manner such that no gap of information happens. However, the concern is appreciated.*



## 1.2.2 Fairness of Procurement Rules on Participation

### 1.2.2.1 Submission Problem of Bid Offer

It has been observed problems on submission of Bid Offers both on Supervision Services and Construction Works Bids.

- Out of six (6) prospective shortlisted Bidders for Design and Supervision Services, only two (2) of them have submitted their qualification applications and financial offers,
- Out of six (6) prospective shortlisted Bidders for 1<sup>st</sup> Supervision Services, only two (3) of them have submitted their qualification applications and financial offers,
- Out of fifteen (15) prospective bidders who bought the tender documents for Construction Works, only three (3) of them have submitted their qualification applications and financial offers.

#### Implications:

- ✚ Competition would be low which could have a possibility to make the Contract price higher.

The existence of repetitiveness on submission problems of Bid Offer by the Bidders within one project implementation shall be drawn by the PE for designing solutions to the problems.

*According to PE's explanation, consultants that couldn't submit their proposals is due to their own discretion; whereas, in ERA's letter of invitation to submit proposal the consultants were requested to confirm whether they are going to submit their proposal for the project or not.*

Moreover the PE has forwarded the following explanation to their measures undertaken on resolving the issue:

*As part of modernization endeavor ERA (the PE) is currently requesting reasons, filing and taking necessary actions on bids for which several prospective bidders withdraw after purchasing bids, to make the necessary consideration on the tender documents, as appropriate. Moreover, ERA is currently indicating the major qualification criteria of projects on the respective NOTICE OF INVITATION FOR BIDS so as to enable potential bidders to foresee their capacity to participate in the bids and/or to execute the project, which reduces cost of bidding by bidders, to reduce or avoid similar withdrawals, etc.*

Even if we couldn't get the outcome of the assessment, the start of the PE on resolving the issue is appreciated. Alongside with PE's consideration, it is our attention to look forward in advance on the following points;

- To study the negative impact on the number of invited bidders to the issue and consider on increasing the number of Consulting Firms to participate on the Design & Supervision Service Bids,
- To review the requirements of Bid Documents for Construction Works and also for Design and Supervision Services,
- To conduct profound studies on the submission problems of Bid Offer.

### 1.2.2.2 Efficiency of Procurement Process

It has observed that the actual process of procurement for the 1<sup>st</sup> Supervision Service Bid has taken for more than 10 months from the expected Bid Proposal validity period.

Closing date of Bid submission = February 25, 2010 (25/02/2010),  
Evaluation report completion date = 08/11/2010,

Signing date of Contract = April 5, 2011 (05/04/2011),  
Actual period to finalize the evaluation process of the Procurement (from 25/02/2010 to 08/11/2010) = 10 months and 13 days,  
Actual period until signing of Contract (from 25/02/2010 to 05/04/2011) = 13 months and 10 days,  
Expected completion of Procurement process = 3 months  
Difference = 10 months and 10 days.

It is understood that the formation of Contract Agreement with the Supervision Firms will go along with the finalization of procurement process formation of Contract for Construction Works. Such case could have direct effect on making delay on making Contract for Supervision Services within the Intended Time. However we draw our attention to the PE to organize all the necessary resources and design efficient procurement plans in consideration with the completion of the two procurement processes at the same time.

### **1.2.3 Issues related to Contract Scope**

#### **1.2.3.1 Allocation of Contract Duration**

Beyond the completion date of the Construction Works Contract, an extra Duration, for about 18 Months, has been entered into Contract Agreement between newly Supervision service Firm and the PE.

The PE has entered into Contract Agreement for the 2<sup>nd</sup> time with new Consulting Firm on December 15, 2014 for the Contract Duration of 24 Months in order to continue the Supervision Service for the Construction Works.

As per the agreed Duration of the service, the completion date of the Contract will be after December 15, 2016. However the expected completion date for the Construction Works will be on June 03, 2015. A big gap, for about 18 Months, has been observed between the completion date of new Supervision service Contract and Construction Works Contract.

#### **Implications:**

- ✚ Opens to Financial Claim by the Consultant for the rest of Contract Duration after Completion of Construction Works.

*According to PE's explanation, the period of 18 months for the new service agreement and the completion of the project (June 03, 2015) is due to the fact that the PE has anticipated that the works will not be completed by June 03, 2015.*

The PE's justification is based on assumption and expectation, however better to be supported with facts along with detail analysis. Therefore it will be hard to justify for the appropriateness on the allocation of Contract Duration for the Service based on PE's explanation.

With respect to financial claim, the PE stated the following: –

- *The first thing, the works contract is unlikely to be completed on June 03, 2015,*
- *Secondly, the Consultancy Service is a time-based contract which the consultant is paid for the time (period) that he offers service. Hence, there is no ground for the consultant to claim for the period it has not delivered services.*

## 1.2.4 Compliance with Contract Requirements

### 1.2.4.1 Replacement of new Firm on the Supervision Service Contract:

Replacement of new Firm has been carried out for the continuation of Supervision Service Contract to the Construction Works. The PE's reason was due to the expiry of the Contract made with the original Supervision Consulting Firm.

There is no Contractual Provision incorporated on the Contract Agreement for replacing the original Consulting Firm due to such cases. However, in contrary, the following condition is included for the extension of the Contract.

As per Clause GCC 13.1 of the Special Conditions of Contract of the Contract Agreement entered with original Supervision Consulting Firm, it says,

*'If the works are not completed with the original anticipated date, the Construction Supervision Service shall also be extended in agreement with the Client'.*

As per the Contractual Provision described above, the PE has a chance to renew the Supervision Service Contract and continue with original Supervision Consulting Firm by extending the Contract along with the anticipated completion period of the Construction Works unless come upon good reasons for termination.

#### Implications:

- ✚ It has been observed on the problem of continuation on properly taking over the supervision services as well as the preparation of the required progress reports for construction works timely by the newly assigned Consulting Firm,
- ✚ There will be a possibility of taking over or interruption on finalizing pending issues due to information gap.

PE's explanation to the issue,

*Clause GCC 13.1 of the Special Conditions of Contract mentions that the Service can be extended in Agreement with the PE, so that it is not contractually binding on the part of the PE to extend the service beyond its expiry date unless it is agreed to extend it.*

*In addition the PE stated that the replacement of new consultant is made as per Article 51 of the Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 as well as Article 25.1 of the Federal Public Procurement Directive June 2010. Hence, the PE cannot simply renew the Supervision Service Contract based on its own free will.*

### 1.2.4.2 Insurance against the Risks and for the Coverages:

Problems have been observed on administering timely on Insurance against the Risks and for the Coverages in compliance with Contractual Requirements on both Supervision and Construction Works Contracts.

#### Implications:

- ✚ No claims can be issued by the PE for any loss or damage to works, property, material & equipment or injury, death to persons and others mentioned in both Contracts.

**Construction Works:**The Contractor is contractually obliged to furnish the following mentioned insurances before the commencement of the work. However, the following insurance policies & premium could not be finalized until the reporting period of Dec., 2014;

- Professional Indemnity Insurance for Design (sub-clause 18.2): the Contractor shall effect Professional Indemnity Insurance, which shall insure the contractor's liability by reason of professional negligence in the design of the works.
- Insurance for Works equipment (sub-clause 18.2): the Contractor shall insure the construction equipment, plant, material & works in the joint name of Employer, the contractor & subcontractor against all loss or damage (Contractor's All Risk Insurance),
- Insurance against injury to persons & damage to property, Third Party Insurance (sub-clause 18.3) the Contractor shall insure against liabilities to third parties in the joint name of Employer the contractor & subcontractor for any loss, damage, death or bodily injury (the limit of third party insurance is Birr 2,000,000.00),
- Insurance for workers (sub-clause 18.4): the Contractor shall effect and maintain insurance against losses and claims arising from the death or injury to any person employed by the Contractor or any Subcontractor.

The issue has been forwarded to the PE and addressed the following:

*Since it is the contractor's responsibility to establish the required insurance policies any if any risk happens to the work contract, it will be covered by the contractor himself so that no risk will be transferred to the Employer.*

**Construction Supervision Service:**No evidences are available for insurances required by the Supervision Service Contract (General and Special Conditions of Contract stated in Clause 48.1 – i, ii, iii and v) showing that such insurances have been taken out and maintained by the Supervision Consultants.

The only document available on the Contract Document is Professional Indemnity Policy as required by General and Special Conditions of Contract stated in Clause 48.1 – iv.

The issue has been forwarded to the PE and addressed the following:

*The Special Conditions of Contract stated in Clause 20.1 specify the insurance coverage that are required to be established by the consultant. However, this contract should be read in conjunction with the works contract which the consultant is going to supervise. Accordingly, the insurance coverage specified in the SCC stated above are deemed to be covered by the work contract. For instance, since the consultancy contract has no provision for vehicles other than work contract, the consultant does not have the obligation to provide 'third party motor vehicle liability insurance.' It is the contractor's obligation to provide such the insurance coverage.*

In order to solve the issues, several correspondences have been forwarded by the Supervision Firm and Employer and discussions have been held with the Contractor. It has been seen some progresses on processing the required insurances for approval. However the furnishing of required insurances timely and in compliance with the contractual requirements is under question. There is no latest information available whether the issues are resolved or not. In any case the contract shall be administered properly in compliance with its contractual provisions and it is our concern for the PE to react timely and make action on resolving the issues in compliance with the GGC, Sub Clause 18.5 and other related provisions as required.

## 2. Introduction

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

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

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

### 2.1 Main Objectives of the Assignment

The AP's Core Activities:

- Collect project information from the PE and, where necessary, consultant and contractor on selected project in order to ensure the publication of the relevant Material Project Information (MPI) as outlined in the Disclosure Standards of CoST – Ethiopia.
- Verifies the accuracy and completeness of information collected and produce reports.
- Analyse the information obtained in order enable the public to make informed judgements about the cost, time of delivery and quality of the built infrastructure,
- Produce reports that are clearly intelligible to the non-specialist, highlighting the main findings and cause for concern the analysed information reveals.
- Make presentations to NMSG-EC, multi-stakeholder forums, get feedbacks and refine the report accordingly.

The assurance processes and the information disclosed in this report are presented in a simple and intelligible way targeting to be addressed to the public equally without difficulty.

### 2.2 Challenges of the Assurance Process

All the required documents have been collected from PE for preparation of this report. Without PE's involvement on the provision of required relevant documents this report couldn't be produced. The PE's effort and cooperation is appreciated.

Due to some inconveniency, however, it has been seen on problem of provisions for key documents within the expected period of time and collected lately as per discussion with PE's representatives.

#### 2.2.1 Lists of Documents Collected Lately

1. EOI Assessment Report for the 1<sup>st</sup> Design & Supervision Service,
2. EOI Assessment Report for the 2<sup>nd</sup> Design & Supervision Service,

3. Bid Document for the 2<sup>nd</sup> Design & Supervision Service,
4. Bid Document for Construction Works,
5. Quarterly Progress Report No. 14, December 2014,
6. Material Advance Payment Bond (Birr 47,396,000.00),
7. Documents related to EOT,
8. Latest PE's comment submitted based on draft report, (submitted after finalizing the final draft report).

Nevertheless the PE's effort & cooperation, the following lists of documents and issues for clarifications are still pending. It could be unusual and hard to get information for the first 4 lists of documents as it may require gathering information outside from PE's office.

### **2.2.2 Lists of Unavailable Documents**

1. Project budget approval date,
2. Project start date (planned, actual),
3. Planned/ Original duration for completing the whole project,
4. Planned/Original cost of the overall project,
5. EOI evaluation Report for the initially cancelled Design & Supervision Service,
6. Bid Document for the 1<sup>st</sup> Design & Supervision Service,
7. Latest Annual, Quarterly or Monthly Progress Reports,
8. Total Cost for Right of way,
9. Approved Payment Certificates for both Supervision Service Contracts (latest),
10. Instruction Notices forwarded to Construction supervision Firms to Commence their Contracts.

### **3. Disclosure of Project Information**

In this report, the disclosure of project information is carried out for Lot II part of the Debarke – Buahit – Dilyibza Design and Build Road Project; namely, Buahit – Dilyibza Design and Build Road Project and covers mainly for Procurement and Contract implementations.

The main sources of information disclosed in this report are obtained from copies of documents collected from PE. The collection of those documents has been carried out in accordance with the letter CoST – Ethiopia Ref. No. CoST-E/Ad/01/124/14 dated 06/04/07 E.C. forwarded to the PE.

The AP has made an effort to acquire all relevant documents for the study by making contacts among respective bodies and departments of the PE in different times. The PE's response was appreciated and provided partly copy of the documents through its assigned focal person and from respective departments. However, some additional and important information are required for the study which can make the report complete.

The overall lists of project information for the project under review are disclosed in the Standard Disclosure Template of CoST – Ethiopia at the end of this report.

#### **3.1 Project Overview**

Buahit – Dilyibza Road Project is a portion of the Debarke – Buahit – Dilyibza Design and Build Road Project intended to construct 57.8 km to Double Bituminous Surface Treatment (DBST) road standard. It is located in Amhara National Regional State in North Gondar Zone particularly in Debarke, Janamora and Beyeda Woredas. The start of the project begins at Buahit (eastern limit of Debarke Woreda). The road passes through Janamora Woreda and terminates at Dilyibza, a capital of Beyeda Woreda.

#### **3.2 Scope of the Project**

The main scope of the project involves the construction of a road that connects Buahit, Cheroleba village and Dilyibza town to DS5 Double Surface Treatment standard.

The Project comprises the Design and Construction of 57.8 km new Road to DBST standard starting from Buahit and terminates at Dilyibza including construction of minor and major drainage structures using the available designs prepared in 2005 and 2006 as a scope or preliminary design.

#### **3.3 Socio Economic Benefits of the Project**

To address development constraints by poor conditions and restricted access and, owing to the importance of the road transport in supporting socio and economic growth and in meeting poverty reduction, the FDRE has placed an increased emphasis on improving the quality and size of the road infrastructure. The Government of Ethiopia formulated in 1996, a ten years Road Sector Development Program. To this end, the Government has made a huge investment towards improvement of the road network. These investment outlays cover the rehabilitation or upgrading of the main trunk, link and rural roads, and construction of new roads to expand the network.

The implementation of the relevant Road Project will bring a number of significant social and economic benefits to the area of influence. The potential benefits are expected to lead to much improved quality of life of the local communities. In general; the main potential beneficial impacts of the road project include the following:

### **3.3.1 Socio-Economic Benefits during Operation**

The construction and operation of the road will open an access in areas that have been remote and inaccessible. This is expected to bring a significant improvement in the socio-economic conditions in the project influence area. There will be a considerable reduction in travel time and costs once the road is in operation.

Operation of the road will support the provision of a wider and better range of government services including potable water, health care, education, administration and extension services. Improved access will make possible increased mobility of government officials and employees, goods, materials and the resources required to run the abovementioned services. With improved services, the living condition of the people in the region will also improve.

In addition, improved access will enable the easier dissemination and transfer of knowledge and modern technology to rural farming communities, thereby creating the incentive or opportunity to increase productivity and better land use practices. It will increase the potential availability of agricultural inputs in time and in adequate quantities, and may reduce input costs due to lower transport costs, and this will intern increase productivity.

Construction of the road will relieve the existing accessibility and transportation problem, as it is likely to lead to introduction of transport services and improved communication in the influence area.

### **3.3.2 Positive Impacts on Tourism**

With easy access during the operation period, it could be expected to experience an increase in the volume of tourists visiting the site particularly the Mt Ras Dashen areas. The benefit from increased volume of tourists is expected to out-weigh the benefit from the tourism at the present condition.

The road section beyond Cheroleba traverses down hills of the Ras Dashen Mountain escarpments, as a result implementation of the project will facilitate access to the one of the magnificent tourist attraction site of the SMNP areas.

### **3.3.3 Creation of Job Opportunities during Construction**

During the construction phase, the road project will provide employment opportunities and income benefits for the local people. Some of the skilled and semi-skilled workforce will probably be recruited from outside the project area, as a result of the shortage of suitably qualified and experienced workers in the area. However, unskilled workers will be recruited locally, which will result in the creation of jobs probably for around 3 years for the whole length of the Road Project. The creation of regular wage is important particularly to poor people since there are currently few other job opportunities other than agriculture are available in the area. There will also be some indirect job opportunities by creating the potential for new markets and services.

### **3.4 Undesired Impacts of the Project**

Construction and operation of the road will cause several significant adverse impacts, most of which are on the natural environment but some also on the members of the local communities. Most of the potential negative impacts will occur mainly in relation to the project location (in difficult topography), land acquisition, execution of the construction works and exploitation of material sources. Many of the adverse environmental effects will be of temporary and reversible in nature, and can be reduced to acceptable level with good engineering practices and



environmental mitigation measures. But there are also some permanent impacts including land taking, drainage and landscape modification, disruption of wildlife, and relocation of people, which must be properly mitigated or compensated for. It is expected that most of the identified impacts can be mitigated satisfactorily and residual impacts can be reduced to acceptable levels through adoption of the specified mitigation measures.

### **3.5 Source of Funding and Project Cost**

The Federal Democratic Republic of Ethiopia (FDRE) represented by Ethiopian Roads Authority has allocated sufficient budget to finance payments for the Project. Consequently, Ethiopian Roads Authority have been carried out the procurement processes of the Construction Supervision & Design and Construction Works of the project in different time and made contract agreements to the qualified respective companies.

### **3.6 Project Duration**

There is no document available to disclose the PE's plan for the intended start date and completion of the Project. However, the first Notice to request EOI for Design and Construction Services was posted on the Ethiopian Herald Newspaper on the date of December 15, 2008. Currently the Construction Works are ongoing and couldn't be completed as per the intended completion date of the Contract Agreement.

#### 4. General Overviews on Procurement & Contract Information

The PE has carried out four Procurement processes & entered into three Contract Agreements for the project under review as shown in Table 4.1.

Table 4.1: List of Procurement Processes undertaken and Contracts Made

Item No.	Procurement undertaken	Contract Made for
1	Consultancy Service for Design (EIA, FS, etc.) and Construction Supervision	No Contract was made
2	Consultancy Service for Construction Supervision (1 <sup>st</sup> time)	Construction Supervision (1 <sup>st</sup> time)
3	Consultancy Service for Construction Supervision (2 <sup>nd</sup> time)	Construction Supervision (2 <sup>nd</sup> time)
4	Construction Works	Design and Construct

Initially the PE has carried out shortlisting and evaluation of proposals of Consulting Firms for the Consultancy Services of the review of EIA Studies, Detail Engineering Design; Feasibility Study, Preparation of Resettlement Action Plan and Tender Document Preparation and Construction Supervision for the Project under review. As per the final result of evaluation, the PE couldn't entered into Contract due to the following the following reasons.

- ✚ Considering the absence of adequate competition in the bidding process,
- ✚ Unreasonably high offer of the scorer consultant for phase I and II, which is a sign of front loaded offer, and
- ✚ Considering a lower offer for phase III of the objectives of the service.

Due to the cancellation of the above Bid, the construction works were tendered based on Design and Build Contract strategy taking into account the urgency of the project and using the previous design as a scope design. The Construction Supervision Contract was also re-tendered separately.

After finalizing the Procurement Processes for both Supervision and Construction Works, the PE has entered into Contract Agreement to those scorers simultaneously and started the Contract on April 25, 2011. The construction works couldn't be completed as per the original Contract Duration. Therefore, considering the expiry of the original Contract period, the PE has made an additional invitation for Construction Supervision and awarded the Contract to other qualified Consulting Firm.

Currently the construction works are on progress along with supervision service by the later Supervision Consultant.

## 5. Disclosure of the Design & Supervision Service Procurement Information

The PE has carried out the tendering and procurement process for Consultancy Services of the review of EIA Studies, Detail Engineering Design; Feasibility Study, Preparation of Resettlement Action Plan and Tender Document Preparation and Construction Supervision for the Project under review. As per the final evaluation result of Proposals, no Contract was formed for the Bid due to certain recommended reasons by TAC.

### 5.1 Disclosure of Procurement Information

The disclosure of the procurement information is carried out based on references made from copies of Technical and Financial Bid Evaluation Reports collected from PE.

#### 5.1.1 Overview of the Procurement Process

The Notice to request EOI for the relevant service first posted on the Ethiopian Herald Newspaper on December 15 and 16, 2008 with a deadline for submission on 31<sup>st</sup> day of December 2008. Consequently, the following six firms, listed in Table 5.1 below, were shortlisted and invited to submit their Technical and Financial Proposals on or before May 28, 2009 at 2:45 PM through ERA's letter dated April 21, 2009.

Table 5.1: List of firms who were invited to submit proposals

Item No.	Name of Consulting Firms	Country
1	Intercontinental Consultants and Technocrats Pvt. Ltd. (ICT) in JV with Intercontinental Consultants and Technocrats Ethiopia Private Limited Company (ICTE) and OMEGA Consulting Engineers plc	India/Ethiopia/Ethiopia
2	United Consulting Engineers /UNICONE/ plc	Ethiopia
3	CORE Consulting Engineers plc in JV with BEACON Consulting Engineers plc	Ethiopia/France
4	SABA Engineering PLC	Ethiopia
5	Construction Design Share Company	Ethiopia
6	Associated Engineering Consultants plc	Ethiopia

Out of six invited firms, only two (2) of them have submitted their proposals on or before the deadline for submission of proposals.

Table 5.2: List of firms who submitted proposals

Item No.	Name of Consulting Firms	Country
1	Associated Engineering Consultants plc	Ethiopia
2	Construction Design Share Company	Ethiopia

The envelopes containing the technical proposals were opened immediately after the deadline for submission of proposals in the presence of ERA's CAC members and representatives of consulting firms.

The Technical Analysis Committee (TAC), having performed the detailed evaluation of the proposals, submitted their analysis to Contract Award Committee (CAC).

The final Technical Proposals Evaluation Report was endorsed by CAC and approved by the DG on 30/07/2009. As per the technical evaluation result, only one consulting firm was technically responsive.

The financial proposal of the only one technically responsive firm was opened on August 11, 2009 at 2:30 pm in the presence of ERA's CAC members and representative of the firm.

The tendering procedure and the evaluation of financial proposal was carried out by TAC. The selection criterion for the highest score of the firm is based on the aggregate score results of 80% technical and 20% financial proposals.

TAC, after having evaluated the financial proposal, recommended the following reasons for re-tendering;

- ✚ Considering the absence of adequate competition in the bidding process,
- ✚ Unreasonably high offer of the scorer consultant for phase I and II, which is a sign of front loaded offer, and
- ✚ Considering a lower offer for phase III of the objectives of the service.

Considering the above reasons, the PE didn't award the Bid to the scorer instead cancelled the Bid and re-tendered the construction works based on Design and Construct Contract strategy taking into account the urgency of the project and using the previous design as a scope design.

### 5.1.1 Verification of the Disclosed Procurement Information

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following way.

#### 5.1.1.1 Completeness of the Disclosed Procurement Information

The lists of Procurement information disclosed on the Standard Disclosure Template of CoST – Ethiopia are based on the following documents collected from PE:

1. Technical Evaluation Report (Hard Copy),
2. Combined Evaluation Report (Hard Copy).
3. Latest PE's comment submitted based on draft report.

Out of 29 only 18 lists of Procurement information are relevant and required to be disclosed on the Standard Template as no Contract Agreement was formed for the bid. Most of the lists of information are disclosed except four due to unavailability of bid and other relevant documents, as described in Table 5.3, below.

Table 5.3: List of unavailable documents and required information

Item No.	Unavailable Documents	Required Information
1	Copy of Procurement Notice	
		Type of Procurement
2	EOI Evaluation Reports	
		Number of Applicants for EOI to the Bid
3	Bid Document	
		Type & Amount of bid security
4	Evidence for any complaint	
		Content of any complaint lodged

5.1.1.2 Accuracy of the Disclosed Procurement Information

The disclosed items of information are taken from collected copied documents provided from PE through the assigned focal person and District office staff. No further cross check has been made on copied documents from their respective original documents by the AP however taken and assumed as a true source for the reference. There is no copy of document available for the lists of information related to Procurement Notice and reference is made from secondary sources as seen in Table 5.4 below.

Table 5.4: Lists of Secondary Information Disclosed and their Sources

Item No.	Lists of Information	Documents Referred
1	Media used for procurement notice	Technical Evaluation Report
2	Floating period of the procurement notice, and	Technical Evaluation Report
3	Media used for procurement notice	Technical Evaluation Report

**5.1.2 Analysis of the Disclosed Procurement Information**

**1) Access problem to EOI Evaluation Report:**

This report couldn't incorporate the analysis on PE's transparency to the Requirements and Evaluation Processes for Shortlisting Consulting Firms due to unavailability of the respective Evaluation Reports from PE's office.

**2) Submission Problem of Bid Offer:**

Out of six (6) prospective shortlisted Bidders, only two (2) of them have submitted their qualification applications and financial offers. The inadequacy of Firms on participation of the respective Bid has resulted in as one of the reasons for the cancellation of the Bid.

There is no document available to justify the reasons for the Bidders on declining to submit their bid offer.

The issue has been forwarded to the PE's and gave the following explanation:

*All the six shortlisted firms have been invited to submit their proposal. Four consultants have not submitted their proposals at their own discretion; whereas, in ERA's letter of invitation to submit proposal the consultants were requested to confirm whether they are going to submit their proposal for the project or not.*

## 6. Disclosure of the 1<sup>st</sup> Construction Supervision Procurement & Contract Information

The PE has entered into two Construction Supervision Contracts with different Consulting Firms in order to supervise the Construction Works. The need for additional Supervision Contract was due to the expiry of the contract duration of the first Supervision Contract. Initially the PE has entered into Contract Agreement with DANA and Associates Plc Consultants in JV with IDCON Infrastructure Development Consultant plc on April 05, 2011.

### 6.1 Disclosure of Procurement Information

The disclosure of the procurement information is carried out based on references made from copies of Technical and Financial Bid Evaluation Reports collected from PE.

#### 6.1.1 Overview of the Procurement Process

The advertisement for EOI for shortlisting of capable consulting firms was published on the Ethiopian Herald Newspaper on September 30 and 31, 2009 with a deadline for submission of 20<sup>th</sup> day of October 2009. After approval of shortlisted firms on January 01, 2010 by DG of ERA, the following six (6) firms, listed in Table 6.1 below, have been invited through ERA's letter dated January 13, 2010 to submit their Technical and Financial Proposals on or before February 25, 2010.

Table 6.1: List of firms who were invited to submit proposals

Item No.	Name of Consulting Firms	Country
1	Beza Consulting Engineers plc (Ethiopia) in JV with Beza Consulting Engineers plc (Kenya)	Ethiopia/Kenya
2	CORE Consulting Engineers plc	Ethiopia
3	Intercontinental Consultants and Technocrats Pvt. Ltd. (ICT) in JV with Intercontinental Consultants and Technocrats Ethiopia Private Limited Company (ICTE) and OMEGA Consulting Engineers plc	India/Ethiopia/Ethiopia
4	SAI Consulting Engineers plc	India
5	DANA and Associates Plc Consultants in JV with IDCON Infrastructure Development Consultant plc	Ethiopia/Ethiopia
6	Gulf Engineering and Industrial Consultancy	Qatar

The following three (3) firms have submitted their proposals on or before the deadline for submission of proposals.

Table 6.2: List of firms who submitted proposals

Item No.	Name of Consulting Firms	Country
1	Intercontinental Consultants and Technocrats Pvt. Ltd. (ICT) in JV with Intercontinental Consultants and Technocrats Ethiopia Private Limited Company (ICTE) and OMEGA Consulting Engineers plc	India/Ethiopia/Ethiopia
2	CORE Consulting Engineers plc	Ethiopia
3	DANA and Associates Plc Consultants in JV with IDCON Infrastructure Development Consultant plc	Ethiopia/Ethiopia

The envelopes containing the technical proposals were opened immediately after the deadline for submission of proposals in the presence of ERA’s CAC members and representatives of consulting firms.

The Technical Analysis Committee (TAC), having performed the detailed evaluation of the proposals, submitted their analysis to Contract Award Committee (CAC).

The final Technical Proposals Evaluation Report was endorsed by CAC and approved by the DG on 30/04/2010. As per the technical evaluation result consulting firms who submitted proposals were technically responsive.

The financial proposals were opened on 13<sup>th</sup> of May 2010 at 3:00 pm in the presence of ERA’s CAC members.

The tendering procedure and the evaluation of financial proposals were carried out by TAC. The selection criterion for the highest score of the firm is based on the aggregate score results of 80% technical and 20% financial proposals.

TAC, after having considered the scores and conditions proposed by the consulting firms, recommended and CAC members endorsed to award the contract to DANA and Associates Plc Consultants in JV with IDCON Infrastructure Development Consultant plc with ceiling contract amount of ETB 16,467,951.13 inclusive of VAT and local taxes on 08/11/2010.

On December 15, 2010, contract negotiation has been carried out between ERA and the scorer consultant. As per the discussion, both parties have agreed the original proposed contract amount of the service, which was ETB 16,467,951.13, is changed to ETB 12,541,092.13 inclusive of VAT and local taxes as a Contract Price and made agreement on April 5, 2011.

### 6.1.2 Verification of the Disclosed Procurement Information

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

#### 6.1.2.1 Completeness of the Disclosed Procurement Information

The lists of Procurement information disclosed on the CoST Standard Disclosure Template are based the following documents collected from PE:

1. Bid Evaluation Report (Hard Copy),
2. Combined Technical & Financial Evaluation Report (Hard Copy),
3. Contract Document (Agreement)(Hard Copy),

4. Expression of Interest (EOI) Assessment Report.
5. Latest PE’s comment submitted based on draft report.

Out of the required 29 lists of Procurement information, only 2 items of information couldn’t be disclosed due to unavailability of documents, as described in Table 6.3, below.

Table 6.3: List of unavailable documents and required information

Item No.	Unavailable Documents	Required Information
	PE’s instruction notice to commence	
1		Contract Start Date
2		Intended Completion Date

**6.1.2.2 Accuracy of the Disclosed Procurement Information**

The disclosed items of information are taken from collected copied documents provided from PE through the assigned focal person and District office staff. No further cross check has been made on copied documents from their respective original documents by the AP howevertaken and assumed as a true source for the reference.

**6.1.3 Analysis of the Disclosed Procurement Information**

**1) Period of Procurement Process:**

The shortlisted Bidders have been invited through ERA’s letter dated January 13, 2010 to submit their Technical and Financial Proposals on or before February 25, 2010. The evaluation report has been finalized on 08/11/2010 and the negotiation with the scorer firm has been done on 15/11/2010 after 9 months and 20 days’ time. The PE entered into Contract Agreement with the scorer firm on April 5, 2011.

- Closing date of Bid submission = February 25, 2010 (25/02/2010),
- Evaluation report completion date = 08/11/2010,
- Signing date of Contract = April 5, 2011 (05/04/2011),

Actual elapsed period of Procurement process (from 25/02/2010 to 05/04/2011) = 13 months and 10 days,

Expected completion of Procurement process = 3 months

Difference = 10 months and 10 days,

There was a delay on processing the procurement for more than 10 months than expected.

The issue has been forwarded to the PE’s and gave the following explanation:

*The PE admits that the approval of combined technical and financial evaluation report has taken considerable time; but, what matters most is the procurement of Construction Supervision Service shall be/was undertaken concurrently & side by side of the Construction Works Contract, while Works contract tender may have a chance of being cancelled or other decisions may be made on the way forward to delivery or scope change, the approval process of supervision contract may be pended/ delayed until the procurement process of the works contract reaches to a promising level of approval. Accordingly procurement undertaken*



and the contract agreement for the Construction Supervision Service and the works contract were signed on April 05, 2011 and April 25, 2011 respectively.

**2) Submission Problem of Bid Offer:**

Out of six (6) prospective shortlisted Bidders, only two (3) of them have submitted their qualification applications and financial offers. There is no document available to justify the reasons for the Bidders on declining to submit their bid offer.

**3) Issues on Replacement of Firm on the Service Contract:**

The PE couldn't extend the original Construction Supervision Contract instead continued the Supervision Service for the Construction Works to be carried out by another Supervision Consulting Firm. There is no document available to justify the reasons for the case, however, as per Clause GCC 13.1 of the Special Conditions of Contract of the Contract Agreement entered with original Supervision Consulting Firm, it says,

*'If the works are not completed with the original anticipated date, the Construction Supervision Service shall also be extended in agreement with the Client'.*

Therefore, as per the Contractual Provision described above, the PE shall continue with the original Supervision Consulting Firm unless have adequate reasons for withdrawal.

The issue has been forwarded to the PE and gave the following explanation:

*Clause GCC 13.1 of the Special Conditions of Contract mentions that the Service can be extended in Agreement with the PE, so that it is not contractually binding on the part of the PE to extend the service beyond its expiry date unless it is agreed to extend it.*

*In addition the PE stated that the replacement of new consultant is made as per Article 51 of the Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 as well as Article 25.1 of the Federal Public Procurement Directive June 2010. Hence, the PE cannot simply renew the Supervision Service Contract based on its own free will.*

## **6.2 Disclosure of Contract Information**

Most of the items of Contract information are disclosed in this report as per the disclosure template and analyzed to those items as per the available documents.

### **6.2.1 Overview of the Contract**

The PE, after finalizing the Procurement Process, has initially entered into Contract Agreement with DANA and Associates Plc Consultants in JV with IDCON Infrastructure Development Consultant plc with ceiling contract amount of ETB 16,467,951.13 inclusive of VAT and local taxes on April 5, 2011, in order to carry out the Construction Supervision Services for the Construction Works of the Road Project. The Contract has commenced on April 25, 2011 however terminated by the PE due to the expiry of the Contract.

### **6.2.2 Verification of the Disclosed Contract Information**

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

6.2.2.1 Completeness of the Disclosed Contract Information

The respective staff of the PE from District office has initially provided copied Contract document. However the reference could not be enough for the assignment and further communication has been carried out with PE’s representative however no additional documents could be collected.

Seven out of 13 lists of items of Contract implementation information are disclosed. Some of the lists of information, however, due to unavailability of relevant documents couldn’t be disclosed as described in Table 7.3, below.

Table 6.4: List of unavailable documents and required information

Item No.	Unavailable Documents	Required Information
	Documents for Safety and Dispute issues	
1		Safety Measures (accident & death)
	Furnished Warranty Documents	
2		Warranty type and description
	Changes to Contracts (if any)	
3		Changes to Contract Price
4		Changes to Contract Scope
	Document for Liquidated damage (if any)	
5		Liquidated damage if applied

6.2.2.2 Accuracy of the Disclosed Contract Information

Most of lists of contract information are referred from Quarterly Report no. 14. There is no sign and stamp on each page of the report, except one forwarding letter for the report, however taken as a reference for the information.

## 7. Disclosure of the 2<sup>nd</sup> Construction Supervision Procurement & Contract Information

Following with the withdrawal of the 1<sup>st</sup> Construction Supervision Contract, the PE has entered into Construction Supervision Contract Agreement for the 2<sup>nd</sup> time with Transport Construction Design Share Company on December 15, 2014 in order to carry out the continuation of the construction supervision and follow up of the full engineering design and construction works of the relevant project.

### 7.1 Disclosure of Procurement Information

The disclosure of the procurement information is carried out based on references made from copies of Technical and Financial Bid Evaluation Reports collected from PE.

#### 7.1.1 Overview of the Procurement Process

The advertisement for EOI for shortlisting of capable consulting firms was published on the Ethiopian Herald Newspaper on April 07 and 08, 2014 with a deadline for submission of April 23, 2014. After approval of shortlisted firms on July 25, 2014 by DG of ERA, the following six (6) firms, listed in Table 7.1 below, have been invited through ERA's letter dated July 30, 2014 to submit their Technical and Financial Proposals on or before September 02, 2014 at 2:30 PM.

Table 7.1: List of firms who were invited to submit proposals

Item No.	Name of Consulting Firms	Country
1	Associated Engineering Consultants plc	Ethiopia
2	Best Consulting Engineers plc	Ethiopia
3	Beza Consulting Engineers plc(Ethiopia)	Ethiopia
4	CORE Consulting Engineers plc	Ethiopia
5	DANA and Associates Plc Consultants	Ethiopia
6	Transport Construction Design Share Company	Ethiopia

All the invited firms have submitted their proposals on or before the deadline for submission of proposals.

The envelopes containing the technical proposals were opened immediately after the deadline for submission of proposals in the presence of ERA's CAC members and representatives of consulting firms.

The Technical Analysis Committee (TAC), having performed the detailed evaluation of the proposals, submitted their analysis to Contract Award Committee (CAC).

The final Technical Proposals Evaluation Report was endorsed by CAC and approved by the DG on September 24, 2014. As per the technical evaluation result all consulting firms who submitted proposals were technically responsive.

The financial proposals were opened on October 16, 2014 at 2:30 pm in the presence of ERA's CAC members.

The tendering procedure and the evaluation of financial proposals were carried out by TAC. The selection criterion for the highest score of the firm is based on the aggregate score results of 80% technical and 20% financial proposals.

TAC, after having considered the scores and conditions proposed by the consulting firms, recommended and CAC members endorsed to award the contract to Transport Construction Design Share Company with ceiling contract amount of ETB 12,690,599.17 inclusive of VAT and local taxes on 18/11/2014.

### **7.1.2 Verification of the Disclosed Procurement Information**

The items information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

#### **7.1.2.1 Completeness of the Disclosed Procurement Information**

The lists of Procurement information disclosed on the CoST Standard Disclosure Template are based the following documents collected from PE:

1. Bid Document,
2. Expression of Interest (EOI) Assessment Report,
3. Technical Proposal Evaluation Report (Hard Copy),
4. Combined Evaluation Report (Hard Copy),
5. Contract Document (Agreement)(Hard Copy).
6. Latest PE's comment submitted based on draft report.

29 lists of Procurement information are required to be disclosed on the Standard Template. Most of the lists of information are disclosed based on the collected documents.

#### **7.1.2.2 Accuracy of the Disclosed Procurement Information**

The disclosed items of information are taken from collected copied documents provided from PE through the assigned focal person and District office staff. No further cross check has been made on copied documents from their respective original documents by the AP however taken and assumed as a true source for the reference.

### **7.1.3 Analysis of the Disclosed Procurement Information**

#### **1) Issues on the allocation of Contract Duration:**

The PE has entered into Contract Agreement for the Supervision service on December 15, 2014 for the intended Contract Duration of 24 Months.As per the agreement the completion date of the Contract will be after December 15, 2016.

However the expected completion date of the Construction Works will be on June 03, 2015. There is a huge gap for about 18 Months of difference between the completion date of Supervision and Construction Works Contracts.

*According to PE's explanation, the period of 18 months for the new service agreement and the completion of the project (June 03, 2015) is due to the fact that the PE has anticipated that the works will not be completed by June 03, 2015.*

The PE's justification is based on assumption however better to be supported with facts along with detail analysis. Therefore it will be hard to justify for the appropriateness on the allocation of Contract Duration for the Service based on PE's explanation.

## 7.2 Disclosure of Contract Information

Most of the items of Contract information are disclosed in this report as per the disclosure template and analyzed to those items as per the available documents.

### 7.2.1 Overview of the Contract

The PE, after finalizing the Procurement Process, has entered, for the second time, into Contract Agreement with Transport Construction Design Share Company with ceiling contract amount of ETB 12,690,599.17 inclusive of VAT and local taxes on December 15, 2014, in order to carry out the continuation of Construction Supervision Services for the Construction Works of the Road Project. The Contract has commenced and is currently ongoing. The Contract and intended to be completed along with the completion of the Construction Works.

### 7.2.2 Verification of the Disclosed Contract Information

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

#### 7.2.2.1 Completeness of the Disclosed Contract Information

The respective staff of the PE from District office has initially provided copied Contract document. However the reference could not be enough for the assignment and further communication has been carried out with PE's representative however no additional documents could be collected.

Some of the lists of information are not applicable as the Contract is new and in progress. However, due to unavailability of relevant documents 4 out of 13 lists of items of Contract implementation information couldn't be disclosed as described in Table 7.2, below.

Table 7.2: List of unavailable documents and required information

Item No.	Unavailable Documents	Required Information
	Documents for Safety and Dispute issues	
1		Safety Measures (accident & death)
	Furnished Warranty Documents	
2		Warranty type and description
	Latest Progress Report	
3		% progress
4		Payment Certified

#### 7.2.2.2 Accuracy of the Disclosed Contract Information

Most of lists of contract information are referred from Quarterly Report no. 14. There is no sign and stamp on each page of the report, except one forwarding letter for the report, however taken as a reference for the information.

### 7.2.3 Analysis of the Disclosed Contract Information

**Insurance against the Risks and for the Coverages:**

No evidences are available for insurances required by the Contract Requirements (General and Special Conditions of Contract stated in Clause 48.1 – i, ii, iii and v) showing that such insurances have been taken out and maintained by the Supervision Consultant.

The only document available on the Contract Document is Professional Indemnity Policy as required by General and Special Conditions of Contract stated in Clause 48.1 – iv,

## 8. Disclosure of Design & Build Procurement & Contract Information

The PE intended to construct the relevant Road Project using the services of a Contractor experienced in the investigation, design and Construction of Roads and has tendered based on Design and Build Contract. The work consists of furnishing design plan, documentation, equipment, materials, labor and incidentals to successfully complete the project in compliance with the Contract Provisions.

After finalizing the necessary Technical and Financial proposals Evaluations of the bidders, the PE has entered into Contract Agreement to the scorer on 29<sup>th</sup> day of March, 2011. The Contract has started on April 25, 2011 and now is in progress.

### 8.1 Disclosure of Procurement Information

The disclosure of the procurement information is carried out based on references made from copies of Technical and Financial Bid Evaluation Reports collected from PE.

#### 8.1.1 Overview of the Procurement Process

The procurement notice for invitation to bids was published on the Ethiopian Herald on 4<sup>th</sup> and 5<sup>th</sup> September 2010. Pursuant to the notice of invitation, fifteen applicants have collected the tender documents before the deadline submission of applications as shown in Table 8.1 below.

Table 8.1: List of Applicants who have collected the Bidding Documents

Item No.	Applicant	Country of Registration
1	AKIR Construction PLC	Ethiopia
2	Amahara Road Works Enterprise	Ethiopia
3	RAMA Construction PLC	Ethiopia
4	Haziii General Contractor	Ethiopia
5	SATCON Construction PLC	Ethiopia
6	NKH Construction PLC	Ethiopia
7	Gemshu Beyene Construction PLC	Ethiopia
8	Doruk Insaat Taah ITH. ve. ITH.LTD.STI	Turkey
9	PROGRESSIVE Construction Limited	India
10	YENCOMAD Construction PLC	Ethiopia
11	SUR CONSTRUCTION PLC	Ethiopia
12	PERLITE Construction Company	Iran
13	Tibeb Construction plc	Ethiopia
14	CGC OVERSEAS Construction Eth. Ltd	Ethiopia
15	ON-GUN Construction Contracting and Trading Co. Inc.	Turkey
	Total	15

Among the above fifteen prospective bidders who have bought the tender documents from ERA, only three (3) of them (see Table 8.2) have submitted their qualification applications and financial offers in separate sealed envelopes before/on December 16, 2010, 2:30 PM which is the latest date of submission of bids.

Table 8.2: List of Applicants who submitted their applications for post qualifications and financial Bids

Item No.	Applicants	Country of Registration
1	Amahara Road Works Enterprise	Ethiopia
2	ON-GUN Construction Contracting and Trading Co. Inc.	Turkey
3	SATCON Construction PLC	Ethiopia
	Total	3

The evaluation of bids has been a two stage procedure, namely, Post Qualification and Financial Bid Evaluation.

The evaluation process has been carried out by assigned TAC and recommended two bidders indicated in Table 8.3 below to be post-qualified and their Financial Bids to be opened. One bidder was rejected from further evaluation due to bid security problem in compliance with sub-clause 13.1 of the bidding document.

Table 8.3: List of Post-Qualified Bidders

Item No.	Applicants	Country of Registration
1	Amahara Road Works Enterprise	Ethiopia
2	SATCON Construction PLC	Ethiopia
	Total	2

A report for post-qualification evaluation has been endorsed by CAC and approved by the DG of ERA on February 02, 2011.

The financial bids of the post-qualified firms have been opened on February 16, 2011 at 2:30 pm.

TAC, having performed the evaluation of the financial bid, submitted their report to CAC.

After conducting discussions on TAC's report on March 01, 2011, CAC members endorsed the recommendation of TAC to award the Contract to the lowest evaluated bidder, SATCON Construction PLC, with a total lump sum cost of ETB 947,920,000.00 including VAT.

The endorsement of the final Bid Evaluation Report for the Contract has been approved by the DG of ERA on 11/03/2011.

After the PE forwarded letter of acceptance letter on 28/03/2011, the Contract Agreement has been signed between the two parties on 29<sup>th</sup> day of March, 2011.

### **8.1.2 Verification of the Disclosed Procurement Information**

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

#### **8.1.2.1 Completeness of the Disclosed Procurement Information**

The lists of Procurement information disclosed on the CoST Standard Disclosure Template are based the following documents collected from PE:

1. Bid Document,
2. Post Qualification Evaluation Report (Hard Copy),
3. Bid Evaluation Report (Hard Copy),



4. Contract Document (Agreement)(Hard Copy),
5. Quarterly Progress Report No. 14, December 2014 - (Hard Copy).
6. Latest PE's comment submitted based on draft report.

#### 8.1.2.2 Accuracy of the Disclosed Procurement Information

The disclosed items of information are taken from collected copied documents provided from PE through the assigned focal person and District office staff. No further cross check has been made on copied documents from their respective original documents by the AP however taken and assumed as a true source for the reference.

Additional Information:

- ✚ The Contract has no Engineer's Estimate and the information is taken from Bid Evaluation Report.  
*The PE has also confirmed after reviewing the report that the contract has no estimate prepared by design consultant; rather, a general estimate was prepared by ERA (in house) based on quantities of major construction works item (**earth work {Normal and Hard Excavation}, Sub-base, base course, and DBTS**) obtained from concept design and **prevailing Market ("Current") unit rates/prices** taken as average from other recently signed projects, considering also design risks. Although such estimate may lack some accuracy, this was found to be a better option taking into account the critical demand of the public (end users) and other stake holders, which was also a pressing emergency to the Public Body.*
- ✚ The Commencement date the Contract and progress of construction works are referred from copy of monthly status report without signed and sealed on it collected from district staffs as well as not officially distributed document to concerned parties.

#### 8.1.3 **Analysis of the Disclosed Procurement Information**

##### 8.1.3.1 Efficiency of the Procurement Process (Timeliness)

**Period of Procurement Process:** The financial bids was opened on February 16, 2011 and finalized on 11/03/2011. Letter of acceptance letter was forwarded on 28/03/2011. The Contract Agreement has been signed between the two parties on 29<sup>th</sup> day of March, 2011. The period elapsed to finalize the Technical & Financial Evaluation was 60 days and 25 days respectively.

The period elapsed to finalize the procurement process was 85 days which the PE has shown good performance in relation to the validity period of the bid proposal (90 days).

**Floating Period:** The procurement notice was published on the date of 4<sup>th</sup> and 5<sup>th</sup> September 2010 and the latest date of submission of bid was on December 16, 2010. There was about 101 calendar days of floating period for the bid including the PE's 37 days extension time. Initially the floating period was 64 days.

##### 8.1.3.2 Fairness of the Procurement Rules on Participation

**Submission Problem of Bid Offer:** It has been observed that a lesser number of bidders have submitted their qualification applications than expected as compared to the number of bidders who bought the Bid Documents. Out of fifteen (15) prospective bidders who bought the tender documents for Design and Build Construction Works, only three (3) of them have submitted their qualification applications and financial offers.

One of the expected reasons for submission problem of bidders has been analyzed on the choice of the PE to perform the construction works based on new delivery method (Design & Build).

Actually the PE's initial plan was to procure the design service and construction works separately. Consequently the PE has tendered the design service jointly with supervision service. However, due to submission problem of Bid Offer by the prospective shortlisted bidders for Design and Supervision Services the Bid has been cancelled. Following the cancellation, it has been decided not to conduct design and related studies separately by the Consulting Firm. Following the cancellation, it has also been decided to procure the Construction works based on Design & Build.

*According to the PE's explanation, it is stated that Design & Build method was found to be better alternative since it was difficult for the PE to prepare design due to difficulty of the project area especially the terrain with very limited access and includes Tourist Attraction centers/parks; hence, the delivery method transfers the design risk to the contractor and ensures soonest possible delivery of the project for intended purpose of the public.*

As a general practice prevailed in our country, most of the construction works are tendered without incorporating the design part in such a way that the probability of local contractors to have adequate experience on the new delivery method will be low. Therefore the absence of such experience on the field could undermine local contractors to participate on the bid with full confidence. Moreover it is rare to have adequate and experienced designers retained by the local contractors to overcome the design service. As a result of such and other related case the probability of participation of local contractors on the new delivery method bid could be less.

In addition to these the evaluation criteria to be set out in the Bid Documents for new delivery system could be a challenge for the bidders and contributing factor to the problem.

The issue has been forwarded to the PE to have their response on submission problem of bidders including other points of consideration to continue the procurement process with lesser bidders that expected. Accordingly the PE addresses the following points.

According to the PE's explanation the new delivery method could not be the reason for the problem of bid submission as described below;

*The choice of new delivery method for the bid could not be the reason for undermining the competition due to the fact that the qualification criteria for bidding set with similar frame work adopted for traditional design-bid-build delivery projects and does not require specific experiences in road design, survey and investigations except separate design crews are required among the key personnel requirements, which is not a rejection criteria.*

Rather, the PE stated the following potential reasons for shortage of competition which may be attributed to;

- *Prospective bidders' limitation of resources & capacity for the intended volume of works*
- *The DB system was almost a new entry to the construction sector, particularly to the road sector of Ethiopia. Associated to this, local bidders may not tend to simply accept the risks associated the delivery system and payment modalities which are different from the traditional contracts by which the public body takes the design risk and payment is based on BOQ (as measurement contracts).*

- *The decrease in participation of foreign bidders may be related to the tendering procedure, to which the price quotation and payment is fully made in local currency.*

Notwithstanding to the above, the following confirmations have been given by firms for similar other projects as per the PE's enquiry; which may be the potential reason for the case;

- *The notice of invitation for bids didn't show the major qualification criteria for qualifying, and bidders couldn't have a chance to assess their capability for bidding and/or executing the project.*
- *Bidders might not be able to finalize preparation of their bids before the deadline of submission,*
- *Foreign contractors purchase the bidding document and send the same to their respective head offices abroad. After the head office evaluates/prioritizes projects under tender, the firms participate on those which they are more interested based on type, location and complexity of projects, as well as in consideration of progress of ongoing projects and resources allocated for same locally.*
- *In the meantime of the deadline for submission of bids for the subject project, a firm may be successful in another project anywhere, and due to such commitment, a firm may not be capable to participate in the tender,*
- *Etc.*

It is clear that the consequences on submission problems of Bid Offer by the prospective bidders could not be simple. The existence of more competitors on the bid will have a better benefit both on quality & cost for the PE to select qualified contractor for the intended work. When we look on this respect, the probability of the PE on losing such benefits will be high.

On the other hand when we look on the points consideration stated by the PE on keeping their benefit is appreciated. The entry of new procurement system for applicable projects is a good start towards keeping public body benefit in different angle. There will be also benefit for our local contractors to build up their capacity and experience on the field. As a whole the practice of design and build procurement method has given a lot of benefits to other countries which our country lacks before.

Apart from the explanation given, no information is addressed for the PE effort on dealing the matter and discussion conducted at the time of occurrence. When we go through the PE's response to the issues, it concentrates on the potential reasons that may be attributed to the problems.

## **8.2 Disclosure of Contract Information**

Most of the items of Contract information are disclosed in this report as per the disclosure template and analyzed to those items as per the available documents.

### **8.2.1 Overview of the Contract**

The PE, after finalizing the Procurement Process, has entered into Contract Agreement with SATCON Construction on 29<sup>th</sup> day of March, 2011 with a total lump sum cost of ETB 947,920,000.00 including VAT, in order to carry out the Design and Construction of the respective Road Project. The Contract has commenced on April 25, 2011. The Contract duration was 1096 Calendar days and intended to be completed on April 25, 2014. Due to Disruption to rock excavation in the park section, the PE has extended the completion time by 405 Calendar days and revised to be completed on June 03, 2015. The cumulative progress of the work up to the end of Dec., 2014

reporting period including Engineer's Representative facilities, was 68.02 %. Up to the end of Dec., 2014 reporting period, 1340 calendar days has been elapsed. Currently the Contract is on progress.

### **8.2.2 Verification of the Disclosed Contract Information**

The items of information disclosed in this report are verified in terms of completeness with respect to the requirements of CoST Standard Disclosure Template and the degree of their accuracy with respect to the referred documents in the following sections.

#### **8.2.2.1 Completeness of the Disclosed Contract Information**

The respective staff of the PE from District office has initially provided copied documents of IPC and EOT. However the references could not be enough for the assignment and further communication has been carried out with PE's representative and collected additional documents as described below:

1. Contract Document (Agreement)(Hard Copy),
2. Interim Payment Certificate Document IPC No. 26 - (Hard Copy),
3. Employer's Approval of the Extension of Contract Time (EOT No. 1) for the Completion of the Project - (Hard Copy),
4. Quarterly Progress Report No. 14, December 2014 - (Hard Copy),
5. The Initial & the Extended Documents of Advance Payment - (Hard Copy).
6. Latest PE's comment submitted based on draft report.

#### **8.2.2.2 Accuracy of the Disclosed Contract Information**

Most of lists of contract information are referred from Quarterly Report no. 14. There is no sign and stamp on each page of the report, except one forwarding letter for the report, however taken as a reference for the information.

*According to PE's explanation it is stated that there is importance to sign and stamp on each page of monthly progress report since the purpose of the report is to update the progress status of the project for each month.*

Some information, like safety and dispute issues (accident & death), are taken from secondary source stated on PE's response on draft report.

### **8.2.3 Analysis of the Disclosed Contract Information**

The implementation of the Contract for the design & construction works has been supervised by the assigned consultant from the commencement date under the follow-up of the PE. The contractor's performance has been periodically reported to the PE by supervision firm and the December 2014 Quarterly Report no. 14 the one in which the AP has carried out as a main source for the following analysis. The information for the performance of the Contract couldn't be analyzed due to the provision of latest Monthly or Quarterly Report by the PE.

#### **8.2.3.1 Compliance with Contractual Requirements**

**Insurance against the Risks & for the Coverages:** The Contractor is contractually obliged to furnish the following mentioned insurances before the commencement of the work. However, the following insurance policies & premium could not be finalized until the reporting period of Dec., 2014;

- Professional Indemnity Insurance for Design (sub-clause 18.2): the Contractor shall effect Professional Indemnity Insurance, which shall insure the contractor's liability by reason of professional negligence in the design of the works.
- Insurance for Works equipment (sub-clause 18.2): the Contractor shall insure the construction equipment, plant, material & works in the joint name of Employer, the contractor & subcontractor against all loss or damage (Contractor's All Risk Insurance),
- Insurance against injury to persons & damage to property, Third Party Insurance (sub-clause 18.3) the Contractor shall insure against liabilities to third parties in the joint name of Employer the contractor & subcontractor for any loss, damage, death or bodily injury (the limit of third party insurance is Birr 2,000,000.00),
- Insurance for workers (sub-clause 18.4): the Contractor shall effect and maintain insurance against losses and claims arising from the death or injury to any person employed by the Contractor or any Subcontractor.

#### 8.2.3.2 Changes to Contracts

**Changes to Contract Price:** There is no change to the original Contract Price as the Contract is Turnkey (Design & Build Contract) and Contract Provisions couldn't allow for such changes. However there is an approved amount of ETB 177,840,198.24 until Dec, 2014 for Price Adjustment to be paid for the Contractor.

**Changes to Contract Duration:** The PE has given an additional extension of time for a period of 405 Cal. Days due to disruption to rock excavation in the park section.

**Changes to Contract Scope:** The original length of the road, which was 57.8 km, is changed to 72.551 km.

## 9. Recommendation on the Key Findings and Further Review

It has been observed that the overall performance of the PE on Contract Procurements and its implementation have been carried out in well-organized way. Detailed working procedures and criteria have been designed and properly recorded. In line with the PE's performance, however, some issues are observed and highlighted to the concerns which the PE to look forward.

It is our concern to the PE on the management of bulky documents on maintaining and obtaining as required. It is observed some difficulties to access records (for example, Evaluation Reports for EOI of Design and Supervision Service) which had not been more than 10 years. It is not an easy task on maintaining the records as the PE is performing huge number of projects within a year. However attention has to be given on designing and implementing proper management system and it shall also be the PE's duty to maintain such records in compliance with article 32 of the PPA Directive.

It has been observed for taking prolonged time than expected for the completion of the procurement processes Supervision Service Bid. We draw our attention to the PE to organize all the necessary resources and design efficient procurement plans in consideration for the completion of the Supervision Service procurement process in parallel with the respective Construction Works Bid.

Problem on submission of Bid offer by Bidders after purchasing is another issue observed for Construction Works and Supervision Contracts. It is our comment for the PE's attention to investigate the root causes for the problem for further improvement. It is also advisable to look on the fairness of Bid requirements set out with respect to the volume of works so that more Bidders can be participated for the Contract.

The replacement of Supervision Firm is another issue which the PE to look forward in compliance with the Contract Provision and in terms of the benefit it gains for making an extension of Contract to the original Supervision Firm. It is our belief to the PE on taking the advantages by complying with the Contract Provision to the renewal of the original service Contract so that smooth continuation to supervision services will be prevailed.

The delay on timely furnishing the required Insurances by the Construction Works Contractor is the issue observed which need PE's attention. It is our concern for the PE that the contract shall be administered properly and to reacttimely and make action on resolving the issues in compliance with in compliance with its contractual provisions.

Finally it is our belief that the study has identified key findings and highlighted the necessary recommendations which can contribute to some extent for the improvement of the PE's on future performance.

### 10. Project Information

DISCLOSURE OF PROCUREMENT & CONTRACT INFORMATION				
PHASE	ITEMS OF DISCLOSURE	SUPERVISION (PHASE I)	SUPERVISION (PHASE II)	CONSTRUCTION
PROCUREMENT INFORMATION	Date of disclosure	January 30, 2015		
	Contract title	Consultancy Service for the Construction Supervision of Buahit – Dilyibza Design and Build Road Project.	Consultancy Service for the Construction Supervision of Buahit – Dilyibza Design and Build Road Project.	Construction of Buahit – Dilyibza Design and Build Road Project.
	Location	Amhara National Regional State in North Gonder Zone particularly in Debark, Janamora and Beyeda Woredas -begins at Buahit (eastern limit of Debark Woreda) and terminates at Dilyibza.		
	Procuring entity	Ethiopian Road Authority		
	Source for further information	Email: eramail@era.gov.et p.o.box:1770 Addis Ababa/Ethiopia Central District Office		
	Date of procurement notice	September 30 & 31, 2009	April 07 and 08, 2014	4 <sup>th</sup> & 5 <sup>th</sup> September 2010
	Floating period of the procurement notice	20 Cal. Days – EOI; 43 Cal. Days - proposal	15 Cal. Days – EOI; 34 Cal. Days - proposal	Initially 64 Cal. Days After Ext. 101 Cal. Days
	Media used for procurement notice	Ethiopian Herald	Ethiopian Herald	Ethiopian Herald
	Method of procurement	RFP	RFP	Open bid
	Type of Procurement	Consultancy Service	Consultancy Service	Works
	Procurement procedure	NCB	NCB	NCB
	Evaluation criteria	Request for EOI followed by Two stage Evaluation (QCBS)	Request for EOI followed by Two stage Evaluation (QCBS)	Two stage Evaluation (LCBS)
	Type of contract	Time based	Time based	Lump Sum

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Type & Amount of bid security	ETB 10,000.00	Bid Securing Declaration	ETB 500,000.00
Content of any complaint lodged	No complaint lodged	No complaint lodged	No complaint lodged
Engineer's estimate	NA	NA	No Engineer's estimate
Date of bid opening	January 10, 2011	September 02, 2014	December 16, 2010
Number of bidders: Participated, rejected and declined to submit	Applied for EOI - DNA Participated – 3 ( invited by ERA letter after EOI) Rejected – 0, and Declined to submit – 3	Applied for EOI - DNA Participated – 6 ( invited by ERA letter after EOI) Rejected – 0, and Declined to submit – 0	Participated – 3, Rejected – 0 and, Declined to submit – 12
Awarded firm/contracting firm	DANA and Associates plc Engineering Consultants in JV with IDCON infrastructure development Consultants plc	Transport Construction Design Share Company	SATCON Construction PLC
Date of contract award	Minutes of negotiation December 15, 2010	Minutes of negotiation November 25, 2014	March 28, 2011
Award price/original contract price	ETB 12,541,092.13 incl. of VAT and local taxes	ETB 12,690,599.17 including VAT and local taxes	ETB 947,920,000.00 including VAT
Contract security type and amount	Professional Indemnity Insurance: <ul style="list-style-type: none"> <li>• Insurance guarantee</li> <li>• ETB 12,541,092.13</li> </ul> Advance Guarantee: <ul style="list-style-type: none"> <li>• DNA</li> </ul>	Professional Indemnity Insurance: <ul style="list-style-type: none"> <li>• Insurance guarantee</li> <li>• ETB 12,690,599.17</li> </ul> Advance Guarantee: <ul style="list-style-type: none"> <li>• DNA</li> </ul>	Advance Guarantee: <ul style="list-style-type: none"> <li>• Insurance guarantee</li> <li>• ETB 164,855,652.17</li> </ul> Performance Bond: <ul style="list-style-type: none"> <li>• Insurance guarantee</li> <li>• ETB 94,792,000.00</li> </ul>
Date of contract signing	April 05, 2011	December 15, 2014	March 29, 2011
Contract scope	To carry out the construction supervision and follow up of the full engineering design and construction works of the	Furnishing complete engineering services in all respects, including all field and office work in strict adherence to the highest standards of the civil	Design and Construction of 57.8 km of new Road to DBST standard including construction of minor and major drainage structures using the available designs prepared in 2005 and 2006 as



		project.	engineering profession and with proper interpretation and full understanding of the duties and responsibilities of the Employer representative for the construction of the remaining works.	a scope or preliminary design.
	Description of contract & Contract components	<p>Review for completeness and adequacy of all survey and engineering design works performed by Contractor and give approval and/or suggestions for improvement as per the terms of the contract between the parties.</p> <p>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.</p> <p>To optimize the use of available material resources to minimize the costs to the Client, to maximize the quality of the works, to expedite construction and to optimize the use of natural resources &amp; ensure environmentally as well as socially sustainable construction, and</p>	<p>Review for completeness and adequacy of all survey and engineering design works performed by Contractor and give approval and/or suggestions for improvement as per the terms of the contract between the parties.</p> <p>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.</p> <p>To optimize the use of available material resources to minimize the costs to the Client, to maximize the quality of the works, to expedite construction and to optimize the use of natural resources &amp; ensure environmentally as well as socially sustainable construction, and</p> <p>To ensure that the road is constructed within the Contract Price and Time for Completion allowed under the Contract or any agreed amendments thereto.</p>	<p>The works of the contract consists of Design and Construction of new road. The project has a design length of 57.8 km.</p> <p>The project area is part of a high mountain massive in northern Ethiopia with altitude ranging from 3100masl to 4300masl including Ras Dashen. The area is typified by generally high elevation and dissected terrain with rolling to hilly plateau in many parts, and steep and very steep valley sides. The topography is mostly rugged with deep gorges, dissected plateau and dramatic escarpments, which give the area its characteristics unique features.</p> <p>The Contract includes the following components;</p> <ul style="list-style-type: none"> <li>• Implement the environmental commitments of the road</li> <li>• General STD and HIV/AIDS Alleviation Campaign</li> </ul>

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		To ensure that the road is constructed within the Contract Price and Time for Completion allowed under the Contract or any agreed amendments thereto.		
	Contract administration entity	Ethiopian Road Authority		<b>Previously</b> – DANA and Associates plc Engineering Consultants in JV with IDCON infrastructure development Consultants plc. (until December 20 <sup>th</sup> 2014) <b>Now</b> – Transport Construction Design Share Company
	Contract duration	36 months+1 man month	24+12 Months	1096 Calendar days
	Contract start date	April 25, 2011	January 22, 2015	April 25, 2011
	Intended completion date	April 25, 2014	January 22, 2017	April 25, 2014
	Contract status (ongoing (% progress))	Terminated	Ongoing	Ongoing – 68.02 % (until Dec., 2014)
<b>CONTRACT IMPLEMENTATION &amp; COMPLETION</b>	completion date (Revised)	April 25, 2014	NA	June 03, 2015
	Changes to contract duration with Reason	No change	No Change	405 Cal. Days Disruption to rock excavation in the park section
	Amount of Liquidated Damage if applied (Penalty for delay)	No Liquidated Damage applied	NA	NA
	Contract price (Revised)	ETB 12,541,092.13 including VAT	ETB 12,690,599.17 including VAT and local taxes	ETB 947,920,000.00 including VAT
	Changes to contract price with reason	DNA	No Change	No Change to contract price Total Price adjustment – ETB 177,840,198.24 excl. VAT (until Dec., 2014)

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	Scope at completion	DNA	NA, as the Contract is not	NA, as the Contract is not
<b>DISCLOSURE OF PROJECT INFORMATION</b>				
<b>PRELIMINARY PROJECT INFORMATION</b>	Date of disclosure	January 30, 2015		
	Project owner	Ethiopian Road Authority		
	Project name	Debark – Buahit – Dilyibza Design and Build Road Project, Lot II: Buahit – Dilyibza Road Project.		
	Sector, subsector	Transport, Road		
	Source for further information	Email: eramail@era.gov.et p.o.box:1770 Addis Ababa/Ethiopia District Office		
	Project Location	Amhara National Regional State in North Gonder Zone particularly in Debark, Janamora and Beyeda Woredas and begins at Buahit (eastern limit of Debark		

**Note:**

NA – Note Applicable

DNA – Documents not Available

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	Woreda).
Purpose	Connect the areas to the east and west of the Ras Dashen Mountain.
Project description	Construction Works: <ul style="list-style-type: none"> <li>• The works of the contract consists of Design and Construction of new road to DBST standard.</li> <li>• The work also includes construction of minor and major drainage structures.</li> </ul>
Original Project Scope	Construction Works: Design and Construction of 57.8 km of Buahit – Dilyibza Road Project.
Project Components	Supervision: To carry out the construction supervision and follow up of the full engineering design and construction works of the project. Construction Works: Design and Construction of new road.
Environmental impact	<ul style="list-style-type: none"> <li>• Landscape and Slope Stability,</li> <li>• Soil Erosion/ Impairment,</li> <li>• Impacts on Drainage and Water Resources,</li> <li>• Air pollution,</li> <li>• Noise Pollution,</li> <li>• Impacts on Flora and fauna, etc.</li> </ul>
land & settlement impact	<ul style="list-style-type: none"> <li>• Impacts on Land under Various Uses,</li> <li>• Expropriation of Properties &amp; Resettlement,</li> <li>• Hazards from Blasting and Earthwork Activities, etc.</li> </ul>
Estimated budget of the project with breakdown of components	Supervision I: ETB 12,541,092.13 incl. of VAT and local taxes Supervision II: ETB 12,690,599.17 including VAT and local taxes. Construction Works: ETB 947,920,000.00 including VAT Right of way – DNA Price Adjustment:ETB 170,212,119.94 ( until Dec., 2014)
Funding sources	The Government of Federal Democratic Republic of Ethiopia.
Project budget approval date	DNA
Project start date (planned, actual)	DNA
Planned/ Original duration for completing the whole project	DNA
Planned/Original cost of the project	DNA

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<b>PROJECT INFORMATION AT COMPLETION</b>	Cost of the project at completion	NA, as the project is not completed
	changes of project cost with reason	DNA
	Project completion date (Revised)	DNA
	Actual duration for completing the whole project	NA, as the project is not completed
	changes of project duration with reason	DNA
	Project Scope at completion	NA, as the project is not completed
	changes of project scope with reason	DNA
	Reference to documents for disclosure upon request (reactive disclosure)	<ol style="list-style-type: none"> <li>1. Bid Evaluation Reports – Consultancy services for the construction supervision,</li> <li>2. Bid Evaluation Reports – Consultancy services for Design,</li> <li>3. Post Qualification Evaluation Report – Construction works,</li> <li>4. Bid Evaluation Reports – Construction works,</li> <li>5. Contract Agreement – Construction works,</li> <li>6. Contract Agreement – Construction supervision,</li> </ol>

**Note:**

NA – Note Applicable

DNA – Documents not Available

## 11. Procurement Information for Design & Supervision Consulting Service

DISCLOSURE OF PROCUREMENT INFORMATION		
PHASE	ITEMS OF DISCLOSURE	DESIGN AND SUPERVISION
PROCUREMENT INFORMATION	Date of disclosure	January 30, 2015
	Contract title	Consultancy Services of the review of EIA Studies, Detail Engineering Design; Feasibility Study, Preparation of Resettlement Action Plan and Tender Document Preparation and Construction Supervision for Buahit – Dilyibza Road Project.
	Location	Amhara National Regional State in North Gonder Zone particularly in Debark, Janamora and Beyeda Woredas -begins at Buahit (eastern limit of Debark Woreda) and terminates at Dilyibza.
	Procuring entity	Ethiopian Road Authority
	Source for further information	Email: eramail@era.gov.et p.o.box:1770 Addis Ababa/Ethiopia Central District Office
	Date of procurement notice	December 15 and 16, 2008
	Floating period of the procurement notice	15 Cal. days
	Media used for procurement notice	Ethiopian Herald
	Method of procurement	Open bid
	Type of Procurement	DNA
	Procurement procedure	Request for EOI followed by Two stage Evaluation
	Evaluation criteria	QCBS

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Type of contract	Lump sum & Time based
Type & Amount of bid security	No information
Content of any complaint lodged	No information
Engineer's estimate	NA
Date of bid opening	May 28, 2009
Number of bidders: Participated, rejected and declined to submit	Applied for EOI – DNA Participated – 2 ( invited by ERA letter after EOI) Rejected – 0, and Declined to submit – 4
Awarded firm/contracting firm	NA
Date of contract award	NA
Award price/original contract price	NA
Contract security type and amount	NA
Date of contract signing	NA
Contract scope	NA
Description of contract & Contract components	NA
Contract administration entity	NA
Contract duration	NA
Contract start date	NA
Intended completion date	NA

**Note:**

NA – Note Applicable

DNA – Documents not Available

**12. Appendix 1: AP’s Response on PE’s Comment to the Report**

Item No.	Referred Section & Page No.	Information Included in the Report	PE’s (ERA’s) Comment	AP’s Response													
1	On page 7, sub-topic 1.2.1.1 Difficulty to Access Relevant Documents	<p>Alongside with PE’s effort however the Disclosure and Assurance Process for the following issues couldn’t be analyzed and included in this report due to some inconveniency on acquiring the respective documents.</p> <ul style="list-style-type: none"> <li> The PE’s performance on the implementation of Contracts under the Project in compliance with the intended Project Plan,</li> <li> The PE’s performance on the implementation of Contracts for Supervision &amp; Construction Works after the period of Dec., 2014.</li> </ul>	<p>In our opinion, there is no difficulty in acquiring any of the requested documents from the PE (Procuring Entity).</p> <p>In relation to this, the PE’s (Procuring Entity’s) performance on the implementation of the project against the intended plan and the construction supervision before or after December, 2014 could easily be obtained from the monthly reports submitted by the Employer’s Representative every month.</p>	<p>CoST Ethiopia has tried its best on acquiring documents in different time by communicating PE’s office through letters and verbally.</p> <p>The PE couldn’t also forward the necessary documents along with their comments as described in the report. Therefore PE’s response to the issue couldn’t be considered to incorporate in the report.</p>													
2	Page 14, 2.2.2 List of unavailable documents	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="489 1063 953 1096">Project budget approval date</td> <td data-bbox="961 1063 1495 1096">No comment</td> </tr> <tr> <td data-bbox="489 1096 953 1252">Project start date (planned, actual)</td> <td data-bbox="961 1096 1495 1252">Actual start date is April 25, 2011</td> </tr> <tr> <td data-bbox="489 1252 953 1333">Planned/ Original duration for completing the whole project</td> <td data-bbox="961 1252 1495 1333">Original duration is 3 years</td> </tr> <tr> <td data-bbox="489 1333 953 1399">Planned/Original cost of the overall project</td> <td data-bbox="961 1333 1495 1399">ETB 947,920,000.00</td> </tr> </table>	Project budget approval date	No comment	Project start date (planned, actual)	Actual start date is April 25, 2011	Planned/ Original duration for completing the whole project	Original duration is 3 years	Planned/Original cost of the overall project	ETB 947,920,000.00	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="1503 1063 1950 1096"></td> <td data-bbox="1503 1096 1950 1252">April 25, 2011 is the start date of construction works. Planned Project start date refers to the intended time on or after appraisal period.</td> </tr> <tr> <td data-bbox="1503 1252 1950 1333"></td> <td data-bbox="1503 1333 1950 1399">The period refers only to construction works.</td> </tr> <tr> <td data-bbox="1503 1399 1950 1406"></td> <td data-bbox="1503 1399 1950 1406">The price refers only to construction works.</td> </tr> </table>		April 25, 2011 is the start date of construction works. Planned Project start date refers to the intended time on or after appraisal period.		The period refers only to construction works.		The price refers only to construction works.
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		Latest Annual, Quarterly or Monthly Progress Reports	Latest Annual, Quarterly or Monthly Progress Reports are available and can be reviewed any time.	CoST Ethiopia has tried its best on acquiring documents in different time by communicating PE's office through letters and verbally. The PE couldn't also forward the necessary documents along with their comments.
		Total Cost for Right of way	No comment	
		Approved Payment Certificates for both Supervision Service Contracts (latest)	The information is available at any time	CoST Ethiopia has tried its best on acquiring documents in different time by communicating PE's office through letters and verbally. The PE couldn't also forward the necessary documents along with their comments.
		Instruction Notices forwarded to Construction supervision Firms to Commence their Contracts	Notice/Instruction to Commence the Construction supervision Firms is available.	
3	On the Table	Changes to Contract Price with reason: DNA	Document is available for total payment effected (certified)	